

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

MUTUAL SECURITY APPROPRIATION BILL, 1956

JULY 8, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PASSMAN, from the Committee on Appropriations, submitted the following

R E P O R T

[To accompany H. R. 7224]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Mutual Security for the fiscal year ending June 30, 1956.

GENERAL COMMENTS

One of the problems which faces this Committee in its consideration of estimates of appropriations for the Mutual Security program each year is the timing of the Budget estimate. The Congress and the Committee for the past several years have been handicapped in their attempt to give full consideration to the large and varied items of expense encompassed by the Mutual Security program because of the delay in submission by the Administration of both the authorizing and appropriating legislation.

It would seem to the Committee, now that certain portions of this program appear to be fairly well established, that Administration requirements could be transmitted early in each session. Obviously a situation which causes a hurried consideration of measures of this magnitude during the closing days of each session of the Congress is not in the best interests of good government.

Another matter which seriously concerns the Committee is the evidence of questionable administrative practices followed in obligating, deobligating, and reobligating funds. During the hearings, numerous

examples were discussed showing that funds certified as obligations in fiscal year 1954, were deobligated in fiscal year 1955 and then reobligated for entirely different purposes. There is reason to believe that funds are frequently obligated late in the fiscal year in order to carry them forward, even though the obligations are not based on firm agreements or commitments. Further, the Committee has developed numerous instances where funds for projects initiated as far back as 1952 and 1953 are still being carried as obligations despite the fact that little or no activity has taken place on such projects. The Committee is firmly convinced that a careful reappraisal of all obligations on the books would free large amounts of money to finance future programs.

SUMMARY OF BILL

The estimate of appropriations for the programs covered by the Mutual Security Act of 1955, as submitted to the Congress on July 1, 1955 (House Document No. 211) totals \$3,266,641,750. In addition, the estimate includes language to continue the availability of balances remaining unexpended as of June 30, 1955, as authorized in the basic legislation.

Appropriations totaling \$2,638,741,750 are recommended for fiscal year 1956, a reduction of \$627,900,000 in the budget estimates. In addition, a reduction of \$21,366,750 was made in the estimated balances reported as unobligated on June 30, 1955.

During the hearings, the Committee was advised that the estimated unexpended balance as of June 30, 1955 for this program would be \$8,717,100,000. Of that amount \$6,767,200,000 is in Defense and \$1,949,900,000 in other agencies.

The following tabulation summarizes the status of unexpended funds for military assistance:

Estimated unobligated and unreserved balance.....	\$33, 900, 000
Obligations incurred in 1955.....	662, 100, 000
Reservations pursuant to sec. 110, Public Law 778.....	2, 704, 300, 000
Unexpended balance FOA allocation to Army Korean program..	23, 900, 000
Unliquidated obligations brought from fiscal year 1954.....	3, 343, 000, 000
Total.....	6, 767, 200, 000

The following tabulation summarizes the appropriations by major program, showing total availability for 1955 and amounts recommended in both new appropriation authority and unobligated carry-over for 1956. A detailed tabulation showing each appropriation will be found at the end of this report, beginning on page 10.

Item	Available, 1955	Estimates, 1956	Recommended, 1956	Bill compared with—	
				Available, 1955	Estimates, 1956
Military assistance:					
Appropriation.....	\$1,020,973,387	\$1,125,000,000	\$705,000,000	—\$315,973,387	—\$420,000,000
Unobligated and unreserved balance.....	2,422,512,729	33,900,000	33,900,000	—2,388,612,729	-----
Total.....	3,443,486,116	1,158,900,000	738,900,000	—2,704,586,116	—420,000,000
Direct forces support.....	365,760,000	317,200,000	305,000,000	—60,760,000	—12,200,000
Defense support:					
Appropriation.....	1,162,577,808	1,090,300,000	947,500,000	—215,077,808	—52,800,000
Unobligated balance.....	32,200,000	25,000,000	25,000,000	—7,200,000	-----
Total.....	1,194,777,808	1,025,300,000	972,500,000	—222,277,808	—52,800,000
Development assistance.....	164,600,000	182,000,000	172,000,000	+7,400,000	—10,000,000
Technical cooperation.....	126,354,621	172,000,000	150,500,000	+24,145,379	—21,500,000
Other programs:					
Appropriation.....	130,834,000	470,141,750	358,741,750	+227,907,750	—111,400,000
Unobligated balance.....	23,563,250	3,633,250	3,633,250	—19,930,000	-----
Total.....	154,397,250	473,775,000	362,375,000	+207,977,750	—111,400,000
Undistributed unobligated balance.....		21,366,750		-----	—21,366,750
Total Mutual Security:					
Appropriation.....	2,971,099,816	3,266,641,750	2,638,741,750	—332,358,066	—627,900,000
Unobligated balance.....	2,478,275,979	83,900,000	62,533,250	—2,415,742,729	—21,366,750
Total.....	5,449,375,795	3,350,541,750	2,701,275,000	—2,748,100,795	—649,266,750

MILITARY ASSISTANCE

Programs included under this general head are designed to provide the military equipment and training required by certain friendly countries to develop or maintain specific military and related units at a given level of effectiveness.

The bill includes \$705,000,000 for this purpose, a reduction of \$420,000,000 in the budget estimates. In addition, an estimated unobligated and unreserved balance of \$33,900,000 is continued available during fiscal year 1956.

The chaotic fiscal situation surrounding the administration of this program is once again brought forcefully to the attention of the Congress. During consideration of both the enabling legislation and the budget request, estimates of unobligated balances as of June 30, 1955, ranged all the way from \$100,000,000 during earlier discussions to a reported \$932,000,000 on June 29. An effort to improve the fiscal procedures governing the programming and obligating of military assistance funds was made by the Congress in its enactment of section 110 of the Mutual Security Appropriation Act for fiscal year 1955. Testimony indicates that, while the principles of section 110 might be considered sound and workable, the administration of the section has been ineffective from the standpoint of giving the Executive Branch and the Congress accurate fiscal data.

The reduction of \$420,000,000 is recommended by the Committee on the basis of a written understanding between responsible officials of the Department of Defense and the Committee that, of the estimated unobligated balance as of June 30 of \$932,000,000, the amount of \$420,000,000 should not be released by the Bureau of the Budget for immediate reservation by the Department of Defense. The Committee is advised, despite this understanding, and without prior consultation with the Committee, that the amount of approximately \$614,000,000 was reserved on June 30 which has the effect of continuing these funds available in fiscal year 1956. This hurried action on the last day of the fiscal year appears to be somewhat at variance with the testimony before the Committee of Mr. Struve Hensel, Assistant Secretary of Defense for International Security Affairs, as follows:

There has been no rush to obligate, and, as a matter of fact, you will see that I have been most reluctant both to spend and to obligate unless we were sure, and I would not want to tackle this \$620 million just to meet an estimate I made and try to obligate some \$500 million in the next 10 days. I just would not want to do it, and if I have to pay the price of losing the money for it I am prepared to do it as a citizen. I will not rush out and do it.

As to conditions precedent to the reservation of funds Mr. Hensel had the following to say:

When we reserve, talking of the military, we have given a definite order to the services. Before we used to give them the money at the same time and it passed out of our control. We have set it aside. It is a definite amount of money, has the same effect as an obligation, and in my mind and the way I was speaking at that time it is an obligation.

In further substantiation of conditions under which reservation of funds may properly be made, Mr. Markley Shaw, Comptroller, Office of International Security Affairs, Department of Defense, in reply to a comment by the Chairman of the subcommittee, Mr. Passman, had the following to say:

As you say, the reservations are a firm commitment. It is a statement by the Secretary of Defense to the services that there has been set in reserve an amount of money equal to the total cost of a list of materials that are being ordered.

Obviously, even though the amount of \$614,000,000 may have been tentatively programed, the Committee cannot accept the premise that materials in that amount were ordered by the services during the last few days of the fiscal year. The reservation could not have represented a "firm commitment".

In addition to the above reservation of \$614,000,000 made on the last day of the fiscal year, there was also reserved during the month of June an additional \$337,000,000, making total reservations of \$951,000,000 in June. To this should be added estimated June obligations of \$134,000,000, bringing the total in obligations and reservations during June to something in excess of \$1,085,000,000. The average monthly rate of obligations and reservations for the preceding eleven months was \$207,300,000.

The Committee is firmly convinced that the present pipeline of undelivered military equipment represented by an estimated unexpended balance as of June 30, 1955, of \$6,767,200,000 provides more than adequate momentum for the continuation of this program in an undiminishing manner throughout the ensuing fiscal year. The funds provided in the accompanying bill should prove adequate for such current requirements as training, maintenance and operations, and such additional equipment as may need to be contracted for during the year.

DIRECT FORCES SUPPORT

Programs within this classification are designed to give the military and related forces of certain countries direct support which is additional to the regular military assistance which those forces are also receiving. As in the case of regular military assistance, these programs ordinarily consist of equipment, materials and services which are delivered or rendered directly to friendly forces for their exclusive use or control and without entering into, or being processed in, the local economy of the recipient country prior to such delivery.

The total budget estimate for this item is \$317,200,000 distributed as follows:

Yugoslavia-----	\$4, 000, 000	Korea-----	\$180, 000, 000
Iran-----	7, 500, 000	Philippines-----	2, 300, 000
Turkey-----	20, 000, 000	Thailand-----	8, 200, 000
Pakistan-----	20, 000, 000	Cambodia, Laos and Viet-	
China (Formosa)-----	37, 000, 000	nam-----	38, 200, 000

The Committee recommends the sum of \$305,000,000 which is a reduction of \$12,200,000 in the budget estimate. It should be pointed out that of the total of \$690,700,000 made available to date for this purpose there remained unexpended as of April 30, 1955, the sum of \$544,000,000, which is nearly 80 percent of the total availability.

DEFENSE SUPPORT

Based on explanations furnished the Committee, programs within this classification are designed to support the military efforts of certain countries which are receiving military assistance. Such support involves the provision of general supplemental resources which a recipient country requires if its economy is to support a defense

program of the size which United States policy regards as necessary and if, at the same time, it is to maintain or attain that minimum level of economic strength or growth which is consistent with the U. S. national interest.

Defense support, Europe.—The budget request for this area totals \$70,000,000 and covers the following:

Spain.....	\$28, 000, 000
Yugoslavia.....	36, 500, 000
Technical exchange.....	5, 500, 000

The full budget estimate of \$70,000,000 is included in the bill for this area. The Committee did not feel justified in exceeding the budget request, even though the enabling legislation carries a larger sum. Also, the unexpended balance as of April 30, 1955, for defense support for Europe was \$242,300,000.

Defense support, Near East and Africa.—The budget request for this area is \$102,500,000 distributed to the following countries:

Greece.....	\$15, 000, 000
Iran.....	37, 500, 000
Turkey.....	50, 000, 000

The Committee has approved the full amount requested for this area, in view of the military importance of the countries involved. Also, the unexpended balances for this portion of the program are comparatively small.

Defense support, Asia.—For this area the budget requested a new appropriation of \$827,800,000 plus a reappropriation of an unobligated balance of \$25,000,000. The following breakdown was submitted in support of the request for new funds:

Pakistan.....	\$63, 000, 000	Thailand.....	\$31, 800, 000
China (Formosa).....	62, 000, 000	Cambodia, Laos, and	
Korea.....	272, 000, 000	Vietnam.....	379, 300, 000
Philippines.....	19, 700, 000		

The Committee was advised that as of April 30, 1955, there remained unexpended for this portion of the program for Asia the sum of \$1,056,800,000. In view of this large amount of unused funds the Committee has reduced the request by \$52,800,000.

DEVELOPMENT ASSISTANCE

The Committee is advised that this program covers assistance given primarily to promote economic development or otherwise to create or maintain economic or political stability. In most nations included in this program development assistance will supplement programs of technical cooperation by providing supplies, commodities or funds.

Development assistance, Near East and Africa.—The Committee is approving the full amount of the budget estimate, \$73,000,000, for this area which includes the following countries: Egypt, Israel, Jordan, Lebanon, Libya, and Syria.

Development assistance, Asia.—The budget estimate for this area is \$71,000,000, of which \$70,000,000 is for India and \$1,000,000 is for Nepal. The Committee was advised that as of April 30, 1955, the unexpended balance for India for this purpose was \$105,700,000. In view of this large unexpended balance the Committee recommends

\$61,000,000, a reduction of \$10,000,000 in the budget estimate. No part of the reduction is to be applied to Nepal.

Development assistance, American Republics.—The amount requested for this purpose, \$38,000,000, includes the following programs:

Bolivia.....	\$20, 000, 000
Guatemala.....	15, 000, 000
Haiti.....	3, 000, 000

The full amount of the budget estimates is recommended by the Committee.

TECHNICAL COOPERATION

Technical cooperation covers those programs for the sharing of our knowledge, experience, techniques, and skills with the peoples of the less developed areas of the world for the purpose of helping them to further their economic development and increase their standard of living. It was testified that these programs consist largely of advice, teaching, training, and the exchange of information.

Technical cooperation, general authorization.—The estimate for this purpose, \$146,500,000, provides the following amounts for the various areas involved:

Near East and Africa.....	\$41, 000, 000
Asia.....	66, 500, 000
Latin America.....	30, 000, 000
Inter-Regional.....	9, 000, 000

In view of the large unexpended balance in this program as of April 30, 1955, \$189,000,000, the Committee recommends \$125,000,000 for fiscal year 1956, a reduction of \$21,500,000 in the budget estimate. It is, however, an increase of \$16,603,000 over the amount available during the present fiscal year.

United Nations technical assistance.—The Committee is approving the full amount of the budget estimate, \$24,000,000, for the United States contribution for the period from July 1, 1955, through December 31, 1956.

Organization of American States.—The Committee recommends \$1,500,000, the amount of the budget estimate, the same sum as was provided for fiscal year 1955 for this item.

OTHER PROGRAMS

This heading includes the various programs not covered in the previous classifications.

Special Presidential fund.—The full budget estimate of \$100,000,000 is included for this Fund. This amount covers contingent or unforeseeable requirements which are likely to develop during fiscal year 1956, but which are not definite enough to be included in the regular programs provided for elsewhere. It is to be used for such purposes as the President may determine to be important to the security of the United States.

Special assistance in joint control areas.—The bill includes \$21,000,000 for the joint control areas of which \$20,000,000 is to maintain programs in West Berlin now in operation and \$1,000,000 is for technical exchange projects in Berlin, West Germany, and Austria.

Intergovernmental Committee for European Migration.—There is included in the bill the sum of \$10,000,000 for this organization, the purpose of which is to increase movement from overpopulated countries of Europe of migrants and refugees who are unlikely to be absorbed by the economies of those countries.

United Nations Refugee Fund.—The Committee is approving \$1,000,000 for this fund, the purpose of which is to undertake a program of permanent solution of the problems of those refugees originating for the most part from World War II and its aftermath.

Escapee program.—This program provides for the reception, interim care and maintenance, and resettlement assistance to recent Soviet and satellite escapees in Europe and the conduct of assistance projects for certain groups or individuals in other areas of the world. For this purpose the sum of \$6,000,000 is recommended, a decrease of \$250,000 below the amount provided for fiscal year 1955.

United Nations Children's Fund.—The full amount of the budget estimate, \$14,500,000, is included in the bill for this purpose. This amount covers the full United States contribution for the period July 1, 1955, through December 31, 1956.

United Nations Relief and Works Agency.—This program, frequently referred to as the Palestine Refugee Program, provides for the relief and rehabilitation of nearly one million Arabs who were former residents of what is now Israel. The budget estimate for this purpose provided for a direct appropriation of \$61,366,750 and a reappropriation of \$3,633,250 of unobligated funds. Of this amount, \$16,500,000 was requested for relief programs and \$48,500,000 for reintegration projects. The Committee has approved the reappropriation of \$3,633,250 in unobligated funds and a new appropriation of \$56,366,750 for a total of \$60,000,000.

North Atlantic Treaty Organization.—The sum of \$3,700,000, the budget estimate, is approved for fiscal year 1956, including \$1,225,000 for the U. S. contribution to the operating budget and \$2,475,000 for the U. S. contribution to the special building fund.

Ocean freight charges.—The Committee recommends \$1,500,000 for ocean freight on voluntary relief shipments and \$10,000,000 for ocean freight on surplus agricultural commodities. The amount approved for voluntary relief shipments is the same as was provided for fiscal year 1955. The sum recommended for shipment of surplus agricultural commodities is an increase of \$2,700,000 over funds used for that purpose during fiscal year 1955.

Control Act expenses.—The full budget estimate of \$1,175,000 is recommended for conducting operations under the Mutual Defense Assistance Control Act which establishes controls on exports for security purposes.

Administrative expenses.—The bill carries the budget estimate of \$33,500,000 for fiscal year 1956, an increase of \$1,000,000 over funds provided for fiscal year 1955 for administration. The increase is primarily to cover a transfer of activities in Korea formerly financed by the Defense Department, and educational allowances for overseas personnel pursuant to Public Law 22, 84th Congress. In connection with the latter item, the Committee feels that the rate should not exceed that allowed for the Departments of State and Defense.

President's fund for Asian economic development.—The Committee is recommending the sum of \$100,000,000 for this Fund for fiscal year 1956, which is a reduction of \$100,000,000 in the budget estimate. The amount of funds requested was based on the amount provided in the authorizing legislation. It should be noted, however, that the authorizing legislation provided for the availability of these funds through June 30, 1958. Further, testimony was presented to the Committee to the effect that only \$100,000,000 of the amount requested would be obligated during fiscal year 1956.

. GENERAL PROVISIONS

The budget estimate proposed deletion of Section 106 of the appropriation act for fiscal year 1955 dealing with shipments in United States flag vessels, prior to enactment of the authorizing legislation. In view of the fact that this provision is in the Mutual Security Act of 1955, the Committee agrees to its deletion from the accompanying bill.

Section 110 of the appropriation act for fiscal year 1955 dealing with transfer to the Department of Defense of military assistance funds was requested to be continued in amended form during fiscal year 1956. This section, by its own terms, is permanent legislation. The suggested amendments are not applicable to provisions of the appropriation bill as reported by the Committee.

MUTUAL SECURITY

Comparative statement of funds available for 1955, estimates for 1956, and amounts recommended in bill for 1956

Items	Available, ¹ 1955	Estimates, ² 1956	Recommended in bill for 1956	Bill compared with—	
				Available, 1955	Estimates, 1956
MUTUAL DEFENSE ASSISTANCE					
Military assistance:					
Appropriation-----	\$1,020,973,387	³ \$1,125,000,000	\$705,000,000	—\$315,973,387	—\$420,000,000
Unobligated and unreserved balance--	2,422,512,729	33,900,000	33,900,000	—2,388,612,729	-----
Direct forces support-----	3,443,486,116	1,158,900,000	738,900,000	—2,704,586,116	—420,000,000
Defense support:	⁴ 365,760,000	317,200,000	305,000,000	—60,760,000	—12,200,000
Europe-----	142,760,000	70,000,000	70,000,000	—72,760,000	-----
Near East and Africa-----	192,903,000	102,500,000	102,500,000	—90,403,000	-----
Asia:					
Appropriation-----	\$26,914,808	\$27,800,000	775,000,000	—51,914,808	—52,800,000
Unobligated balance-----	⁵ 32,200,000	25,000,000	25,000,000	—7,200,000	-----
Total, defense support:	859,114,808	\$52,800,000	800,000,000	—59,114,808	—52,800,000
Appropriation-----	1,162,577,808	1,000,300,000	947,500,000	—215,077,808	—52,800,000

Unobligated balance-----	32,200,000	25,000,000	25,000,000	-7,200,000	-----
Total, mutual defense assistance:					
Appropriation-----	1,194,777,808	1,025,300,000	972,500,000	-222,277,808	-52,800,000
Unobligated balance-----	2,549,311,195	2,442,500,000	1,957,500,000	-591,811,195	-485,000,000
	2,454,712,729	58,900,000	58,900,000	-2,395,812,729	-----
	5,004,023,924	2,501,400,000	2,016,400,000	-2,987,623,924	-485,000,000
DEVELOPMENT ASSISTANCE					
Near East and Africa-----	91,400,000	73,000,000	73,000,000	-18,400,000	-----
South Asia-----	60,500,000	71,000,000	61,000,000	+500,000	-10,000,000
American Republics-----	12,700,000	38,000,000	38,000,000	+25,300,000	-----
Total, development assistance-----	164,600,000	182,000,000	172,000,000	+7,400,000	-10,000,000
TECHNICAL COOPERATION					
General authorization-----	108,397,000	146,500,000	125,000,000	+16,603,000	-21,500,000
United Nations program-----	16,457,621	24,000,000	24,000,000	+7,542,379	-----
Organization of American States-----	1,500,000	1,500,000	1,500,000	-----	-----
Total, technical cooperation-----	126,354,621	172,000,000	150,500,000	+24,145,379	-21,500,000
OTHER PROGRAMS					
Special Presidential fund-----	-----	100,000,000	100,000,000	+100,000,000	-----
Special assistance in joint control areas-----	24,594,500	21,000,000	21,000,000	-3,594,500	-----

See footnotes at end of table, p. 13.

MUTUAL SECURITY—Continued

Comparative statement of funds available for 1955, estimates for 1956, and amounts recommended in bill for 1956—Continued

Items	Available, ¹ 1955	Estimates, ² 1956	Recommended in bill for 1956	Bill compared with—	
				Available, 1955	Estimates, 1956
OTHER PROGRAMS—continued					
Intergovernmental Committee for European Migration:					
Appropriation-----	\$10, 000, 000	\$12, 500, 000	\$10, 000, 000	-----	—\$2, 500, 000
Unobligated balance-----	500, 000	-----	-----	—\$500, 000	-----
	10, 500, 000	12, 500, 000	10, 000, 000	—500, 000	—2, 500, 000
United Nations Refugee Fund-----	-----	1, 400, 000	1, 000, 000	+ 1, 000, 000	—400, 000
Escapee program-----	6, 250, 000	6, 000, 000	6, 000, 000	—250, 000	-----
United Nations Children's Fund-----	12, 500, 000	14, 500, 000	14, 500, 000	+ 2, 000, 000	-----
United Nations Relief and Works Agency:					
Appropriation-----	-----	61, 366, 750	56, 366, 750	+ 56, 366, 750	—5, 000, 000
Unobligated balance-----	* 23, 063, 250	3, 633, 250	3, 633, 250	—19, 430, 000	-----
	23, 063, 250	65, 000, 000	60, 000, 000	+ 36, 936, 750	—5, 000, 000
North Atlantic Treaty Organization-----	1, 169, 000	3, 700, 000	3, 700, 000	+ 2, 531, 000	-----
Ocean freight charges:					
United Nations voluntary relief agencies-----	1, 500, 000	2, 000, 000	1, 500, 000	-----	—500, 000

Surplus agricultural commodities-----	7,300,000	13,000,000	10,000,000	+2,700,000	-3,000,000
Control Act expenses-----	8,800,000	15,000,000	11,500,000	+2,700,000	-3,500,000
Administrative expenses-----	1,175,000	1,175,000	1,175,000	-----	-----
President's fund for Asian economic development-----	32,500,000	33,500,000	33,500,000	+1,000,000	-----
Special programs-----	33,845,500	200,000,000	100,000,000	+100,000,000	-100,000,000
Total, other programs:				-33,845,500	-----
Appropriation-----	130,834,000	470,141,750	358,741,750	+227,907,750	-111,400,000
Unobligated balance-----	23,563,250	3,633,250	3,633,250	-19,930,000	-----
Undistributed unobligated balance-----	154,397,250	473,775,000	362,375,000	+207,977,750	-111,400,000
Total mutual security:		21,366,750	-----	-----	-21,366,750
Appropriation-----	2,971,099,816	3,266,641,750	2,638,741,750	-332,358,066	-627,900,000
Unobligated balance-----	2,478,275,979	83,900,000	62,533,250	-2,415,742,729	-21,366,750
	5,449,375,795	3,350,541,750	2,701,275,000	-2,748,100,795	-649,266,750

¹ Reflect purposes for which funds used rather than purposes for which initially appropriated.

² Unobligated balances based on estimates received from Foreign Operations Administration.

³ Includes \$122,000,000 for infrastructure.

⁴ Includes \$189,600,000 nonmutual security funds (Department of Defense appropriations) programmed in Korea for direct forces support and \$35,000,000 for production for forces support.

⁵ Unobligated balance of \$16,000,000 carried forward for United Nations Korean Reconstruction Agency, and unobligated balance of \$16,200,000 transferred from "Civilian relief in Korea, Army."

⁶ Includes \$2,730,000 transferred to "Development assistance, Near East and Africa."

84TH CONGRESS
1ST SESSION

[Report No. 1086] .

JULY 8, 1955

1 as amended by Public Law —, Eighty-fourth Congress),
2 as follows:

3 Military assistance: For assistance authorized by section
4 103 (a) (2), including not to exceed \$23,250,000 for
5 administrative expenses to carry out the purposes of title I,
6 chapter 1, and section 124, \$705,000,000, of which \$122,-
7 000,000 shall be available for infrastructure as authorized
8 by section 104 (a); and in addition not to exceed \$33,-
9 900,000 of unobligated and unreserved funds heretofore
10 appropriated under authority of section 103 (a) (1) of
11 the Mutual Security Act of 1954, as amended, are continued
12 available until June 30, 1956, for the purposes of section
13 103 (a) (2);

14 Direct forces support: For assistance authorized by sec-
15 tion 124, \$305,000,000;

16 Defense support, Europe: For assistance authorized by
17 section 131 (c) (1), \$70,000,000;

18 Defense support, Near East and Africa: For assistance
19 authorized by section 131 (c) (2), \$102,500,000;

20 Defense support, Asia: For assistance authorized by
21 section 131 (c) (3), \$775,000,000; and in addition not
22 to exceed \$25,000,000 of unobligated balances of funds here-
23 tofore appropriated under authority of section 121 of the
24 Mutual Security Act of 1954, as amended, are hereby con-
25 tinued available through June 30, 1956;

1 Development assistance, Near East and Africa: For
2 assistance authorized by section 201 (c) for purposes of
3 section 201 (a) (1), \$73,000,000;

4 Development assistance, Asia: For assistance author-
5 ized by section 201 (c) for purposes of section 201 (a)
6 (2), \$61,000,000;

7 Development assistance, American Republics and non-
8 self-governing territories of the Western Hemisphere: For
9 assistance authorized by section 201 (c) for purposes of
10 section 201 (a) (3), \$38,000,000;

11 Technical cooperation, general authorization: For assist-
12 ance authorized by section 304 (b), \$125,000,000;

13 United Nations expanded program of technical assist-
14 ance: For contributions authorized by section 306 (a),
15 \$24,000,000, which shall constitute the total United States
16 contribution through December 31, 1956;

17 Technical cooperation programs of the Organization of
18 American States: For contributions authorized by section
19 306 (b), \$1,500,000;

20 Special Presidential Fund: For assistance authorized by
21 section 401 (b), \$100,000,000;

22 Special assistance in joint control areas in Europe: For
23 assistance authorized by section 403 (b), \$21,000,000;

24 Intergovernmental Committee for European Migration:
25 For contributions authorized by section 405 (a), \$10,000,-

1 000: *Provided*, That no funds appropriated in this Act shall
2 be used to assist directly in the migration to any nation in the
3 Western Hemisphere of any person not having a security
4 clearance based on reasonable standards to insure against
5 Communist infiltration in the Western Hemisphere;

6 United Nations Refugee Fund: For contributions
7 authorized by section 405 (c), \$1,000,000;

8 Escapee program: For assistance authorized by section
9 405 (d), \$6,000,000;

10 United Nations Children's Fund: For contributions
11 authorized by section 406 (b), \$14,500,000, which shall
12 constitute the total United States contribution through
13 December 31, 1956;

14 United Nations Relief and Works Agency: For contribu-
15 tions authorized by section 407 (b), \$56,366,750; and in
16 addition not to exceed \$3,633,250 of the unobligated bal-
17 ances of funds appropriated under the head "Palestine Refu-
18 gee Program" in the Mutual Security Appropriation Act,
19 1954, are continued available through June 30, 1956, for the
20 purposes authorized by section 407;

21 North Atlantic Treaty Organization: For payments
22 authorized by section 408, \$3,700,000;

23 Ocean freight charges, United States voluntary relief
24 agencies: For payments authorized by section 409 (c),
25 \$1,500,000;

1 Ocean freight charges, surplus agricultural commodities:
2 For payments authorized by section 409 (d) , \$10,000,000 ;

3 Control Act expenses: For carrying out the purposes of
4 the Mutual Defense Assistance Control Act of 1951, as
5 authorized by section 410, \$1,175,000 ;

6 Administrative expenses: For expenses authorized by
7 section 411, \$33,500,000 ;

8 President's Fund for Asian Economic Development:
9 For the President's Fund for Asian Economic Development
10 as authorized by section 418 (b) , \$100,000,000.

11 GENERAL PROVISIONS

12 SEC. 102. Appropriations in this Act for the purposes
13 of chapters 2 (except for section 124) and 3 of title I and
14 titles II, III, and IV of the Mutual Security Act of 1954,
15 as amended, and allocations to the Department of State, from
16 any other appropriations, for functions directly related to the
17 purposes of the Mutual Security Act of 1954, as amended,
18 or for use by the International Cooperation Administration
19 for other purposes authorized by law shall be available for
20 rents in the District of Columbia; expenses of attendance
21 at meetings concerned with the purposes of such appropria-
22 tions, including (notwithstanding the provision of section 9
23 of the Act of March 4, 1909 (31 U. S. C. 673)) , expenses
24 in connection with meetings of persons whose employment is

1 authorized by section 530 of the Mutual Security Act of
2 1954, as amended; employment of aliens, by contract, for
3 services abroad; maintenance, operation, and hire of aircraft;
4 purchase (not to exceed two for replacement only) and hire
5 of passenger motor vehicles and, in addition, passenger motor
6 vehicles abroad may be exchanged or sold and replaced by
7 an equal number of such vehicles and the cost, including
8 the exchange allowance, of each such replacement shall not
9 exceed \$3,000 in the case of an automobile for the chief of
10 any special mission or staff abroad established under section
11 526 of the Mutual Security Act of 1954, as amended; enter-
12 tainment within the United States (not to exceed \$15,000);
13 exchange of funds without regard to section 3651 of the
14 Revised Statutes (31 U. S. C. 543); loss by exchange;
15 expenditures (not to exceed \$50,000) of a confidential
16 character other than entertainment, provided that a certifi-
17 cate of the amount of each such expenditure, the nature of
18 which it is considered inadvisable to specify, shall be made
19 by the Secretary of State, or such person as he may desig-
20 nate, and every such certificate shall be deemed a sufficient
21 voucher for the amount therein specified; insurance of official
22 motor vehicles in foreign countries; rental of quarters outside
23 the continental limits of the United States to house employees
24 of the United States Government (without regard to section
25 322 of the Act of June 30, 1932, as amended (40 U. S. C.

1 278a)), lease, necessary repairs and alterations to quarters;
2 actual expenses of preparing and transporting to their former
3 homes in the United States or elsewhere the remains of
4 persons or members of the families of persons who may die
5 while such persons are away from their homes participating
6 in activities under the Mutual Security Act of 1954, as
7 amended, or other Act directly related to the purposes of the
8 Mutual Security Act of 1954, as amended; purchase of
9 uniforms; employment of chauffeurs for passenger carrying
10 vehicles abroad notwithstanding the provisions of any other
11 law; medical examinations of dependents of overseas per-
12 sonnel or candidates for overseas positions on the same basis
13 as for employees or candidates; payment of per diem in lieu
14 of subsistence to persons participating in any program of
15 furnishing technical information and assistance, while in
16 countries other than their own and other than the continental
17 United States, at rates not in excess of those prescribed by
18 the Standardized Government Travel Regulations, notwith-
19 standing section 107 of the Department of State Appropria-
20 tion Act, 1956; expenses authorized by the Foreign Service
21 Act of 1946, as amended (22 U. S. C. 801-1158), not
22 otherwise provided for; ice and drinking water for use
23 abroad; and services of commissioned officers of the Public
24 Health Service and of the Coast and Geodetic Survey, and
25 for the purposes of providing such services the Public Health

1 Service may appoint not to exceed twenty officers in the
2 Regular Corps to grades above that of senior assistant, but
3 not above that of director, as otherwise authorized in accord-
4 ance with section 711 of the Act of July 1, 1944, as amended
5 (42 U. S. C. 211a), and the Coast and Geodetic Survey
6 may appoint for such purposes not to exceed twenty com-
7 missioned officers in addition to those otherwise authorized:
8 *Provided*, That no part of the administrative expenses shall
9 be used to pay the salary of any civilian employee at a rate
10 greater than that paid by the State Department for com-
11 parable work or services in the same area: *Provided further*,
12 That appropriations made under this Act shall be available
13 for expenses in connection with travel of personnel outside
14 the continental United States, including travel of dependents
15 and transportation of personal effects, household goods, or
16 automobiles of such personnel when any part of such travel
17 or transportation begins in the current fiscal year pursuant
18 to travel orders issued in that fiscal year, notwithstanding
19 the fact that such travel or transportation may not be com-
20 pleted during the current fiscal year, and cost of transporting
21 to and from a place of storage, and the cost of storing, the
22 furniture and household and personal effects of any employee
23 who is assigned to a post at which he is unable to use his
24 furniture and effects, under such regulations as the Secretary
25 of State, or such person as he may designate, may prescribe:

1 *Provided further,* That no part of any appropriation con-
2 tained in this Act shall be available for expense of transpor-
3 tation, packing, crating, temporary storage, drayage, and
4 unpacking of household goods and personal effects in excess
5 of an average of five thousand pounds net but not exceeding
6 nine thousand pounds net in any one shipment, but the
7 limitations imposed herein shall not be applicable in the case
8 of employees transferred to or serving in stations outside the
9 continental United States under orders relieving them from
10 a duty station within the United States prior to August 1,
11 1953.

12 SEC. 103. Payments made from funds appropriated
13 herein for engineering fees and services to any individual
14 engineering firm on any one project in excess of \$25,000
15 shall be reported to the Committees on Appropriations of
16 the Senate and House of Representatives at least twice an-
17 nually.

18 SEC. 104. Pursuant to section 1415 of the Supplemental
19 Appropriation Act, 1953, and in addition to other amounts
20 made available pursuant to said section, not to exceed the
21 equivalent of \$25,000,000 of foreign currencies or credits
22 owed to or owned by the United States shall remain avail-
23 able until June 30, 1956, without reimbursement to the
24 Treasury, for liquidation of obligations incurred against such
25 currencies or credits prior to July 1, 1953, pursuant to au-

1 thority contained in the Mutual Security Act of 1951, as
2 amended, and Acts for which funds were authorized by that
3 Act and hereafter, foreign currencies generated under the
4 provisions of this Act shall be utilized only for the purposes
5 for which the funds providing the commodities which gen-
6 erated the currency were appropriated.

7 SEC. 105. None of the funds provided by this Act nor
8 any of the counterpart funds generated as a result of assist-
9 ance under this or any other Act shall be used to make pay-
10 ments on account of the principal or interest on any debt of
11 any foreign government or on any loan made to such govern-
12 ment by any other foreign government; nor shall any of
13 these funds be expended for any purpose for which funds
14 have been withdrawn by any recipient country to make
15 payment on such debts.

16 SEC. 106. Not more than 20 per centum of any funds
17 made available by this Act shall be obligated and/or reserved
18 during the last two months of the fiscal year.

19 SEC. 107. The appropriations, authorizations, and au-
20 thority with respect thereto in this Act shall be available
21 from July 1, 1955, for the purposes provided in such appro-
22 priations, authorizations, and authority. All obligations
23 incurred during the period between June 30, 1955, and the
24 date of enactment of this Act in anticipation of such appro-

1 priations, authorizations, and authority are hereby ratified
2 and confirmed if in accordance with the terms hereof.

3 SEC. 108. No part of any appropriation contained in
4 this Act shall be used to pay the salary or wages of any
5 person who engages in a strike against the Government of
6 the United States or who is a member of an organization of
7 Government employees that asserts the right to strike
8 against the Government of the United States, or who advo-
9 cates, or is a member of an organization that advocates,
10 the overthrow of the Government of the United States by
11 force or violence: *Provided*, That for the purposes hereof
12 an affidavit shall be considered prima facie evidence that the
13 person making the affidavit has not contrary to the provi-
14 sions of this paragraph engaged in a strike against the Gov-
15 ernment of the United States, is not a member of an organ-
16 ization of Government employees that asserts the right to
17 strike against the Government of the United States, or that
18 such person does not advocate, and is not a member of an
19 organization that advocates, the overthrow of the Govern-
20 ment of the United States by force or violence: *Provided*
21 *further*, That any person who engages in a strike against
22 the Government of the United States or who is a member
23 of an organization of Government employees that asserts the
24 right to strike against the Government of the United States,

1 or who advocates, or who is a member of an organization
2 that advocates, the overthrow of the Government of the
3 United States by force or violence and accepts employment
4 the salary or wages for which are paid from any appropria-
5 tion or fund contained in this or any other Act shall be guilty
6 of a felony and, upon conviction, shall be fined not more
7 than \$1,000 or imprisoned for not more than one year, or
8 both: *Provided further*, That the above penalty clause shall
9 be in addition to, and not in substitution for, any other pro-
10 visions of existing law.

11 SEC. 109. This Act may be cited as the "Mutual Secu-
12 rity Appropriation Act, 1956".

84TH CONGRESS
1ST SESSION

H. R. 7224

[Report No. 1086]

A BILL

Making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

By Mr. PASSMAN

JULY 8, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 12, 1955
For actions of July 11, 1955
84th-1st, No. 116

* At this season of the year, during the last few weeks of Congress, the Legisla- *
* tive Reporting Staff receives several hundred requests for information and *
* material each day. Usually only three persons are available to fill these re- *
* quests, and they must also prepare the Digest of Congressional Proceedings, *
* which should be issued as early as possible each day. These employees are here *
* to provide good service, and they want to do so. But if your requests can just *
* as well wait until after 11:00 a. m., such scheduling (for either visits or *
* phone calls) will enable us to render better over-all service to the Department. *
* It will also be helpful if you will arrange to consolidate your requests to the *
* extent feasible. *

CONTENTS

Accounting.....	44	Grant-in-aid programs...	14	REA.....	25
Agricultural		Health.....	45	Refugee relief.....	18,35
conservation payments..	14	Hoover Commission....	57,62	Reclamation.....	8,32,51
Appropriations..	1,15,29,65	Immigration.....	54	Research.....	13,14,21
ARS.....	9	Inspection and grading..	14	Roads.....	5,6,57
CCC sales.....	48	Intergovernmental		Rose.....	46
Commodity exchanges.....	23	relations.....	14	Small business.....	36
Corporations.....	37	Labor.....	65,66	Soil conservation..	10,14,60
Cotton.....	33	Lands.....	9,31,59	Storage facilities....	41
County committeemen.....	52	Legislative program..	15,29	Sugar.....	61
Dairy industry.....	55,65	Livestock loans.....	20	Surplus commodities....	16
Defense production.....	29	Marketing.....	12,67	Technical assistance....	14
Electrification		Mining.....	3	Tobacco.....	21
.....	8,25,38,50,51	Monopolies.....	57,64	Tariffs.....	58
Experiment stations.....	14	Mutual security.....	1	Trade development.....	17
FAO.....	65	Onions.....	23	Traffic management....	43
Farm credit.....	15	Organization.....	19	Transportation.....	43
Farm loans.....	28,60,65	Personnel.....	7,30	Travel expenses.....	2
Feed grain.....	11	Prices, farm.....	56	Vehicles.....	39
Fertilizer.....	40	support.....	26,60	Water.....	4,47,50
Flood control.....	10,34	Property.....	42	Weather.....	24
Foreign aid.....	1,53	Purchasing.....	68	Wheat.....	27
Forestry..	3,5,9,13,22,49,59				

HIGHLIGHTS: Senate agreed to and House received conference report on forest mining bill. Senate passed bills to: extend livestock loans, provide for USDA report on tobacco research program, request USDA report on agricultural weather forecasting, include onions under CEA, and amend Farm Tenant Act. House received conference report on travel expense allowance bill. House passed mutual security appropriation bill.

HOUSE

1. FOREIGN AID. Passed with amendment H. R. 7224, the mutual security aid appropriation bill (pp. 8776-8818, 8823). Rejected by a voice vote an amendment offered by Rep. Whitten to prohibit the use of funds for technical assistance programs designed to increase agricultural production of underdeveloped countries; and rejected by a vote of 84 to 146 an amendment offered by Rep. Hand that the United States contribution to international agencies be limited to 33 1/3 % of the budget of such international agency.

The bill provides appropriations of \$2,638,741,750 (\$627,900,000 less than the budget estimates) and a reduction of \$21,366,750 in the estimated unobligated balances, and includes \$150,500,000 for technical assistance programs. The committee report requests that future budget estimates for this program be submitted to Congress earlier in the session. The report also states, "Another matter which seriously concerns the Committee is the evidence of questionable administrative practices followed in obligating, deobligating, and reobligating funds ..." (H. Rept. 1086) (p. 8823).

2. TRAVEL EXPENSES. Received the conference report on H. R. 6295, the per diem allowance for subsistence and travel expenses allowance (H. Rept. 1088) (pp. 8775-6, 8823). The House conferees receded from their disagreements to the Senate amendments, which provide for a maximum per diem allowance of \$12 and motorcycle mileage allowance of 6 cents and automobile allowance of 10 cents.
3. MINING; FORESTS. Received the conference report on H. R. 5891, providing for multiple use of the surface of the same tracts of public lands (H. Rept. 1096) (pp. 8818-9, 8823). The Senate agreed to the conference report (pp. 8713-4).
4. WATER. Conferees were appointed for consideration of H. R. 3990, providing for a study of water resources and potential of Alaska (p. 8818). Senate conferees have not been appointed.
5. ROADS. Received the conference report on S. 1464, authorizing the Secretary of the Interior to acquire certain rights-of-way and timber access roads (H. Rept. 1097) (p. 8819).
6. HIGHWAYS. Rep. Sieminski urged that the tax load on the highway user be considered when methods for financing the Federal aid highway bill are under study (pp. 8819-20, 8822).
7. PERSONNEL. The Rules Committee reported H. Res. 304, which would authorize the Post Office and Civil Service Committee to conduct studies and investigations of various specified matters within their jurisdiction (H. Rept. 1089) (p. 8776).
8. RECLAMATION; ELECTRIFICATION. The Interior and Insular Affairs Committee reported with amendments H. R. 3383, to authorize the construction, operation, and maintenance of the Colorado River storage project (H. Rept. 1087) (p. 8823).
9. LANDS. The Interior and Insular Affairs Committee reported without amendment S. 1878, to continue availability of certain ARS lands for transfer to Miles City, Mont. (H. Rept. 1091) (p. 8823).

54TH CONGRESS
1ST SESSION

H. R. 7224

H. R. 7224

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JULY 11), 1955

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1956, namely:

6 MUTUAL SECURITY

7 For expenses necessary to enable the President to carry
8 out the provisions of the Mutual Security Act of 1954, as
9 amended (Public Law 665, approved August 26, 1954,

1 as amended by Public Law 138, Eighty-fourth Congress),
2 as follows:

3 Military assistance: For assistance authorized by section
4 103 (a) (2), including not to exceed \$23,250,000 for
5 administrative expenses to carry out the purposes of title I,
6 chapter 1, and section 124, \$705,000,000, of which \$122,-
7 000,000 shall be available for infrastructure as authorized
8 by section 104 (a); and in addition not to exceed \$33,-
9 900,000 of unobligated and unreserved funds heretofore
10 appropriated under authority of section 103 (a) (1) of
11 the Mutual Security Act of 1954, as amended, are continued
12 available until June 30, 1956, for the purposes of section
13 103 (a) (2);

14 Direct forces support: For assistance authorized by sec-
15 tion 124, \$305,000,000;

16 Defense support, Europe: For assistance authorized by
17 section 131 (c) (1), \$70,000,000;

18 Defense support, Near East and Africa: For assistance
19 authorized by section 131 (c) (2), \$102,500,000;

20 Defense support, Asia: For assistance authorized by
21 section 131 (c) (3), \$775,000,000; and in addition not
22 to exceed \$25,000,000 of unobligated balances of funds here-
23 tofore appropriated under authority of section 121 of the
24 Mutual Security Act of 1954, as amended, are hereby con-
25 tinued available through June 30, 1956;

1 Development assistance, Near East and Africa: For
2 assistance authorized by section 201 (c) for purposes of
3 section 201 (a) (1), \$73,000,000;

4 Development assistance, Asia: For assistance author-
5 ized by section 201 (c) for purposes of section 201 (a)
6 (2), \$61,000,000;

7 Development assistance, American Republics and non-
8 self-governing territories of the Western Hemisphere: For
9 assistance authorized by section 201 (c) for purposes of
10 section 201 (a) (3), \$38,000,000;

11 Technical cooperation, general authorization: For assist-
12 ance authorized by section 304 (b), \$125,000,000;

13 United Nations expanded program of technical assist-
14 ance: For contributions authorized by section 306 (a),
15 \$24,000,000, which shall constitute the total United States
16 contribution through December 31, 1956;

17 Technical cooperation programs of the Organization of
18 American States: For contributions authorized by section
19 306 (b), \$1,500,000;

20 Special Presidential Fund: For assistance authorized by
21 section 401 (b), \$100,000,000;

22 Special assistance in joint control areas in Europe: For
23 assistance authorized by section 403 (b), \$21,000,000;

24 Intergovernmental Committee for European Migration:
25 For contributions authorized by section 405 (a), \$10,000,-

1 000: *Provided*, That no funds appropriated in this Act shall
2 be used to assist directly in the migration to any nation in the
3 Western Hemisphere of any person not having a security
4 clearance based on reasonable standards to insure against
5 Communist infiltration in the Western Hemisphere;

6 United Nations Refugee Fund: For contributions
7 authorized by section 405 (c), \$1,000,000;

8 Escapee program: For assistance authorized by section
9 405 (d), \$6,000,000;

10 United Nations Children's Fund: For contributions
11 authorized by section 406 (b), \$14,500,000, which shall
12 constitute the total United States contribution through
13 December 31, 1956;

14 United Nations Relief and Works Agency: For contribu-
15 tions authorized by section 407 (b), \$56,366,750; and in
16 addition not to exceed \$3,633,250 of the unobligated bal-
17 ances of funds appropriated under the head "Palestine Refu-
18 gee Program" in the Mutual Security Appropriation Act,
19 1954, are continued available through June 30, 1956, for the
20 purposes authorized by section 407;

21 North Atlantic Treaty Organization: For payments
22 authorized by section 408, \$3,700,000;

23 Ocean freight charges, United States voluntary relief
24 agencies: For payments authorized by section 409 (c),
25 \$1,500,000;

1 Ocean freight charges, surplus agricultural commodities:

2 For payments authorized by section 409 (d), \$10,000,000;

3 Control Act expenses: For carrying out the purposes of
4 the Mutual Defense Assistance Control Act of 1951, as
5 authorized by section 410, \$1,175,000;

6 Administrative expenses: For expenses authorized by
7 section 411, \$33,500,000;

8 President's Fund for Asian Economic Development:
9 For the President's Fund for Asian Economic Development
10 as authorized by section 418 (b), \$100,000,000.

11 GENERAL PROVISIONS

12 SEC. 102. Appropriations in this Act for the purposes
13 of chapters 2 (except for section 124) and 3 of title I and
14 titles II, III, and IV of the Mutual Security Act of 1954,
15 as amended, and allocations to the Department of State, from
16 any other appropriations, for functions directly related to the
17 purposes of the Mutual Security Act of 1954, as amended,
18 or for use by the International Cooperation Administration
19 for other purposes authorized by law shall be available for
20 rents in the District of Columbia; expenses of attendance
21 at meetings concerned with the purposes of such appropria-
22 tions, including (notwithstanding the provision of section 9
23 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses
24 in connection with meetings of persons whose employment is

1 authorized by section 530 of the Mutual Security Act of
2 1954, as amended; employment of aliens, by contract, for
3 services abroad; maintenance, operation, and hire of aircraft;
4 purchase (not to exceed two for replacement only) and hire
5 of passenger motor vehicles and, in addition, passenger motor
6 vehicles abroad may be exchanged or sold and replaced by
7 an equal number of such vehicles and the cost, including
8 the exchange allowance, of each such replacement shall not
9 exceed \$3,000 in the case of an automobile for the chief of
10 any special mission or staff abroad established under section
11 526 of the Mutual Security Act of 1954, as amended; enter-
12 tainment within the United States (not to exceed \$15,000);
13 exchange of funds without regard to section 3651 of the
14 Revised Statutes (31 U. S. C. 543); loss by exchange;
15 expenditures (not to exceed \$50,000) of a confidential
16 character other than entertainment, provided that a certifi-
17 cate of the amount of each such expenditure, the nature of
18 which it is considered inadvisable to specify, shall be made
19 by the Secretary of State, or such person as he may desig-
20 nate, and every such certificate shall be deemed a sufficient
21 voucher for the amount therein specified; insurance of official
22 motor vehicles in foreign countries; rental of quarters outside
23 the continental limits of the United States to house employees
24 of the United States Government (without regard to section
25 322 of the Act of June 30, 1932, as amended (40 U. S. C.

1 278a)), lease, necessary repairs and alterations to quarters;
2 actual expenses of preparing and transporting to their former
3 homes in the United States or elsewhere the remains of
4 persons or members of the families of persons who may die
5 while such persons are away from their homes participating
6 in activities under the Mutual Security Act of 1954, as
7 amended, or other Act directly related to the purposes of the
8 Mutual Security Act of 1954, as amended; purchase of
9 uniforms; employment of chauffeurs for passenger carrying
10 vehicles abroad notwithstanding the provisions of any other
11 law; medical examinations of dependents of overseas per-
12 sonnel or candidates for overseas positions on the same basis
13 as for employees or candidates; payment of per diem in lieu
14 of subsistence to persons participating in any program of
15 furnishing technical information and assistance, while in
16 countries other than their own and other than the continental
17 United States, at rates not in excess of those prescribed by
18 the Standardized Government Travel Regulations, notwith-
19 standing section 107 of the Department of State Appropria-
20 tion Act, 1956; expenses authorized by the Foreign Service
21 Act of 1946, as amended (22 U. S. C. 801-1158), not
22 otherwise provided for; ice and drinking water for use
23 abroad; and services of commissioned officers of the Public
24 Health Service and of the Coast and Geodetic Survey, and
25 for the purposes of providing such services the Public Health

1 Service may appoint not to exceed twenty officers in the
2 Regular Corps to grades above that of senior assistant, but
3 not above that of director, as otherwise authorized in accord-
4 ance with section 711 of the Act of July 1, 1944, as amended
5 (42 U. S. C. 211a), and the Coast and Geodetic Survey
6 may appoint for such purposes not to exceed twenty com-
7 missioned officers in addition to those otherwise authorized:
8 *Provided*, That no part of the administrative expenses shall
9 be used to pay the salary of any civilian employee at a rate
10 greater than that paid by the State Department for com-
11 parable work or services in the same area: *Provided further*,
12 That appropriations made under this Act shall be available
13 for expenses in connection with travel of personnel outside
14 the continental United States, including travel of dependents
15 and transportation of personal effects, household goods, or
16 automobiles of such personnel when any part of such travel
17 or transportation begins in the current fiscal year pursuant
18 to travel orders issued in that fiscal year, notwithstanding
19 the fact that such travel or transportation may not be com-
20 pleted during the current fiscal year, and cost of transporting
21 to and from a place of storage, and the cost of storing, the
22 furniture and household and personal effects of any employee
23 who is assigned to a post at which he is unable to use his
24 furniture and effects, under such regulations as the Secretary
25 of State, or such person as he may designate, may prescribe:

1 *Provided further*, That no part of any appropriation con-
2 tained in this Act shall be available for expense of transpor-
3 tation, packing, crating, temporary storage, drayage, and
4 unpacking of household goods and personal effects in excess
5 of an average of five thousand pounds net but not exceeding
6 nine thousand pounds net in any one shipment, but the
7 limitations imposed herein shall not be applicable in the case
8 of employees transferred to or serving in stations outside the
9 continental United States under orders relieving them from
10 a duty station within the United States prior to August 1,
11 1953.

12 SEC. 103. Payments made from funds appropriated
13 herein for engineering fees and services to any individual
14 engineering firm on any one project in excess of \$25,000
15 shall be reported to the Committees on Appropriations of
16 the Senate and House of Representatives at least twice an-
17 nually.

18 SEC. 104. Pursuant to section 1415 of the Supplemental
19 Appropriation Act, 1953, and in addition to other amounts
20 made available pursuant to said section, not to exceed the
21 equivalent of \$25,000,000 of foreign currencies or credits
22 owed to or owned by the United States shall remain avail-
23 able until June 30, 1956, without reimbursement to the
24 Treasury, for liquidation of obligations incurred against such
25 currencies or credits prior to July 1, 1953, pursuant to au-

1 thority contained in the Mutual Security Act of 1951, as
2 amended, and Acts for which funds were authorized by that
3 Act and hereafter, foreign currencies generated under the
4 provisions of this Act shall be utilized only for the purposes
5 for which the funds providing the commodities which gen-
6 erated the currency were appropriated.

7 SEC. 105. None of the funds provided by this Act nor
8 any of the counterpart funds generated as a result of assist-
9 ance under this or any other Act shall be used to make pay-
10 ments on account of the principal or interest on any debt of
11 any foreign government or on any loan made to such govern-
12 ment by any other foreign government; nor shall any of
13 these funds be expended for any purpose for which funds
14 have been withdrawn by any recipient country to make
15 payment on such debts.

16 SEC. 106. Not more than 20 per centum of any funds
17 made available by this Act shall be obligated and/or reserved
18 during the last two months of the fiscal year.

19 SEC. 107. The appropriations, authorizations, and au-
20 thority with respect thereto in this Act shall be available
21 from July 1, 1955, for the purposes provided in such appro-
22 priations, authorizations, and authority. All obligations
23 incurred during the period between June 30, 1955, and the
24 date of enactment of this Act in anticipation of such appro-

1 priations, authorizations, and authority are hereby ratified
2 and confirmed if in accordance with the terms hereof.

3 SEC. 108. No part of any appropriation contained in
4 this Act shall be used to pay the salary or wages of any
5 person who engages in a strike against the Government of
6 the United States or who is a member of an organization of
7 Government employees that asserts the right to strike
8 against the Government of the United States, or who advo-
9 cates, or is a member of an organization that advocates,
10 the overthrow of the Government of the United States by
11 force or violence: *Provided*, That for the purposes hereof
12 an affidavit shall be considered prima facie evidence that the
13 person making the affidavit has not contrary to the provi-
14 sions of this paragraph engaged in a strike against the Gov-
15 ernment of the United States, is not a member of an organ-
16 ization of Government employees that asserts the right to
17 strike against the Government of the United States, or that
18 such person does not advocate, and is not a member of an
19 organization that advocates, the overthrow of the Govern-
20 ment of the United States by force or violence: *Provided*
21 *further*, That any person who engages in a strike against
22 the Government of the United States or who is a member
23 of an organization of Government employees that asserts the
24 right to strike against the Government of the United States,

1 or who advocates, or who is a member of an organization
2 that advocates, the overthrow of the Government of the
3 United States by force or violence and accepts employment
4 the salary or wages for which are paid from any appropria-
5 tion or fund contained in this or any other Act shall be guilty
6 of a felony and, upon conviction, shall be fined not more
7 than \$1,000 or imprisoned for not more than one year, or
8 both: *Provided further*, That the above penalty clause shall
9 be in addition to, and not in substitution for, any other pro-
10 visions of existing law.

11 SEC. 109. This Act may be cited as the "Mutual Secu-
12 rity Appropriation Act, 1956".

Passed the House of Representatives July 11, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

JULY 12 (legislative day, JULY 11), 1955
Read twice and referred to the Committee on
Appropriations

House of Representatives

MONDAY, JULY 11, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, who art worthy of all adoration and allegiance, may we enter upon this new week resolved and determined to surrender ourselves in courage and confidence to Thy holy will.

Thou alone canst enable us to meet victoriously the duties and demands which daily vex and baffle our minds for Thou art all wise and all powerful.

Grant that we may strive with every means and capacity at our command to build a nation that is obedient and responsive to Thy divine law.

Show us how the life of our Republic and the legislation which we are enacting may be touched and permeated with more of spiritual significance and fineness.

May we always seek to blend the lofty spirit of religion, the spirit of justice and righteousness with our politics, for in so doing our national life will be nobler and more fruitful for the welfare of humanity.

Hear us in the name of the Christ who rules men and nations with the scepter of love. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, July 7, 1955, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 787. An act granting the consent of Congress to the States of Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, and Wyoming to negotiate and enter into a compact for the attainment of the conservation and development of the water resources of the Missouri Basin, and for other purposes; and

S. 1210. An act to amend the Public Buildings Act of 1949 to provide a 5-year limitation on the period of leases of space for Federal agencies in the District of Columbia.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles:

H. R. 1692. An act for the relief of Frederick F. Gaskin;

H. R. 1745. An act for the relief of Paul E. Milward;

H. R. 1747. An act for the relief of the Utica Brewing Co.;

H. R. 2769. An act for the relief of Tennessee C. Batts;

H. R. 3363. An act for the relief of Rodolfo C. Delgado, Jesus M. Laguna, and Vicente D. Reynante; and

H. R. 4182. An act for the relief of the Highway Construction Company of Ohio, Inc.

ANNOUNCEMENT OF ENROLLED BILLS SIGNED

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, July 7, 1955, he did on that day sign the following enrolled bill of the Senate:

S. 2090. An act to amend the Mutual Security Act of 1954, as amended.

And on July 8, 1955, sign enrolled bills of the Senate and House as follows:

S. 609. An act to provide rewards for information concerning the illegal introduction into the United States, or the illegal manufacture or acquisition in the United States, of special nuclear material and atomic weapons;

S. 804. An act to amend section 201 (d) of the Career Compensation Act of 1949, as amended, to provide for advance payments of certain pay and allowances of members of the uniformed services, and for other purposes;

H. R. 1692. An act for the relief of Frederick F. Gaskin;

H. R. 1745. An act for the relief of Paul E. Milward;

H. R. 1747. An act for the relief of the Utica Brewing Co.;

H. R. 2769. An act for the relief of Tennessee C. Batts;

H. R. 3363. An act for the relief of Rodolfo C. Delgado, Jesus M. Laguna, and Vicente D. Reynante; and

H. R. 4182. An act for the relief of the Highway Construction Company of Ohio, Inc.

AMENDING SECTION 3 OF TRAVEL EXPENSE ACT OF 1949

Mr. FASCELL submitted the following conference report and statement on the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1088)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes, having met after full and free conference, have agreed to recommend

and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1.

And agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. Section 4 of the Travel Expense Act of 1949 (63 Stat. 166; 5 U. S. C. 837) is amended by striking out '4 cents' and '7 cents' and inserting '6 cents' and '10 cents', respectively, in lieu thereof."

And the Senate agree to the same.

WILLIAM L. DAWSON,
DANTE B. FASCELL,
J. ARTHUR YOUNGER,

Managers on the Part of the House.

OLIN D. JOHNSTON,
MATTHEW M. NEELY,
FRANK CARLSON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1: Reduces the maximum per diem allowance from \$13 per day as proposed by the House to \$12 per day as proposed by the Senate.

Amendment No. 2: Authorizes an increase in the mileage rate for privately owned motorcycles from the present 4 cents to 6 cents and for privately owned automobiles or airplanes from the present 7 cents to 10 cents, when engaged on official business, as proposed by the Senate. No increases in the maximum mileage rates were proposed by the House.

There was considerable discussion among the conferees on whether a per diem rate of \$12 or \$13 was fair and equitable. The House managers pointed out that the information presented to it in hearings and reports from the Bureau of the Budget and various agencies indicated that the higher figure would be warranted. The Senate managers noted, however, that the military had already been given an increased per diem rate for travel expenses to \$12 and it would be preferable to have a uniform rate as between civilians and the military. The House managers believed that with the actual expense proviso in the bill any serious problems of inequity could be cured.

Although the House had received no information to show the need for an increase in the mileage rate for privately owned automobiles and motorcycles, the Senate felt such an increase was necessary.

The House, therefore, recessed in these two particulars.

WILLIAM L. DAWSON,
DANTE B. FASCELL,
J. ARTHUR YOUNGER,
Managers on the Part of the House.

SUPPLEMENTARY APPROPRIATION BILL TO BE CONSIDERED THURS- DAY, JULY 14

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it be in order to take up the supplementary appropriation bill on Thursday next.

Mr. TABER. Mr. Speaker, reserving the right to object, I understand this bill will be reported tomorrow.

Mr. CANNON. It will be reported tomorrow.

Mr. TABER. And that it will give the membership time to check it over and see what it contains.

Mr. CANNON. Yes. Hearings are already available.

Mr. TABER. That will be all right.

Mr. MCCORMACK. Mr. Speaker, as I understand it the gentleman wants this bill programed for Thursday.

Mr. CANNON. If agreeable to the House, the 3-day rule to the contrary notwithstanding.

Mr. MCCORMACK. The gentleman did confer with me and my inquiry is made so that the membership of the House will understand that this bill will come up on Thursday.

Mr. CANNON. We expect to report out the bill tomorrow which will allow a day for the Members to look it over and we would like to take it up on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file reports on the bills H. R. 7201 and 7205.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. YATES asked and was given permission to address the House for 1 hour on tomorrow, following the legislative program and any special orders heretofore entered.

Mr. POWELL (at the request of Mr. MCCORMACK) was given permission to address the House for 30 minutes on July 26 and on July 27, following the legislative program and any special orders heretofore entered.

AUTHORIZING COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO CONDUCT STUDIES WITH RE- SPECT TO CERTAIN MATTERS

Mr. TRIMBLE, from the Committee on Rules, reported the following privi-

leged resolution (H. R. 304, Rept. No. 1089), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, is authorized to conduct full and complete investigations and studies with respect to the following matters within the jurisdiction of the committee:

(1) The transportation and distribution of mail, including—

(A) the transportation of regular mail by air;

(B) the discontinuance of post offices and rural routes; and

(C) the utilization of common carriers and other facilities for the transportation of mail;

(2) Actions taken and procedures followed with respect to the classification and appointment of postmasters, officers, and employees in the postal field service;

(3) General administration and management in the Post Office Department and the postal field service;

(4) Fiscal administration and management in the Post Office Department and the postal field service;

(5) The mailability of articles and printed matter generally, including, among other things, the mailing of unsolicited articles with requests for payments or contributions;

(6) The application and effect of the laws, rules, and regulations relating to the management of civilian personnel of the Federal Government, including—

(A) the operation and effect of Executive Order No. 10577, dated November 22, 1954, and effective January 23, 1955, relating to the establishment of a new appointment system for the competitive civil service;

(B) the operation and effect of the provisions of the Federal Employees' Uniform Allowance Act, as amended, the provisions relating to premium compensation contained in the Federal Employees' Pay Act Amendments of 1954, and other provisions of the act of September 1, 1954 (Public Law 763, 83d Cong.);

(C) methods of, and limitations on, (i) job classification, (ii) appointments, (iii) assignment of positions to schedules A, B, and C, (iv) distribution of positions in grades GS-16, GS-17, and GS-18, and (v) separation of employees; and

(D) the desirability and effect of the limitations imposed by law on the performance of personal services within the Federal Government and the extent to which such limitations have caused the Federal Government to enter into contracts, agreements, or arrangements for the performance, by and through sources outside the Federal Government, of administrative and management services;

(7) The operations of the United States Civil Service Commission;

(8) Administrative actions and procedures pursuant to the provisions of the Classification Act of 1949, as amended;

(9) Practices and procedures of the United States Civil Service Commission and the departments, agencies, and independent establishments of the Government relating to the examination of applicants for civilian positions in or under the Federal Government;

(10) Actions taken and directives issued as a result of the investigation and study, conducted by the committee under authority of House Resolution 32, 83d Congress, with respect to dual supervision of civilian employees in or under the Department of Defense;

(11) Dual supervision of civilian employees, creation of positions, number of positions, and other matters relating to conservation of manpower, in such departments, agencies, and independent establishments of the Federal Government as the chairman of the committee may designate; and

(12) The organization, management, and operations of the Bureau of the Census in the Department of Commerce: *Provided*, That no such investigation or study by the committee shall duplicate any investigation or study which is being conducted by any other standing committee of the House of Representatives.

The committee shall report to the House (or to the Clerk of the House if the House is not in session), at such time or times during the present Congress as it deems appropriate, the results of its investigations and studies, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution, the committee, or any subcommittee thereof authorized to do so by the chairman of the committee, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member of the committee designated by him and may be served by any person designated by such chairman or member.

COMMITTEE ON PUBLIC WORKS

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have permission to sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

SPECIAL ORDER GRANTED

Mr. SIEMINSKI asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

MUTUAL SECURITY APPROPRIA- TION BILL, 1956

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited not to exceed 3 hours, one-half to be controlled by the gentleman from New York [Mr. TABER], and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 111]

Barden	Hill	Norblad
Barrett	Hinshaw	Osmers
Buchanan	Hoffman, Ill.	Perkins
Burnside	Hoffman, Mich.	Phillips
Chatham	Holifield	Polk
Chenoweth	Holt	Powell
Christopher	Hosmer	Prouty
Davis, Tenn.	James	Reed, Ill.
Diggs	Johnson, Calif.	Reed, N. Y.
Dingell	Kearney	Rivers
Dollinger	Keating	Rogers, Colo.
Dorn, S. C.	Kelly, N. Y.	Sadlak
Eberharter	Kilburn	St. George
Fernandez	King, Calif.	Scudder
Fine	Kirwan	Sheehan
Fino	Klein	Shelley
Gathings	Lipscomb	Short
Green, Pa.	McCulloch	Taylor
Gregory	McDowell	Tuck
Griffiths	Miller, Calif.	Utt
Gubser	Miller, N. Y.	Williams, Miss.
Hayworth	Morrison	Wilson, Calif.
Hébert	Mumma	Younger
Hess	Nelson	Zelenko

The SPEAKER. Three hundred and sixty-five Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION TO COMMITTEES TO SIT DURING SESSION TODAY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit this afternoon while the House is in general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration may sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine may sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MUTUAL SECURITY APPROPRIATION BILL, 1956

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement, the gentleman from Louisiana [Mr. PASSMAN] will be recognized 1 hour and 30 minutes, and the gentleman from New York [Mr. TABER] for 1 hour and 30 minutes.

The gentleman from Louisiana is recognized.

Mr. PASSMAN. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the appropriation bill under consideration requests funds to continue the mutual-security program for another year. For the benefit of the new Members of the House, it may be apropos to mention the several names under which the foreign-aid program has operated during the postwar years:

First, 1945 through 1947 it was known as the United Nations Relief and Rehabilitation Agency—UNRRA.

Second, 1948 through December 29, 1951, it was known as the Economic Cooperation Administration—ECA.

Third, December 30, 1951, through July 31, 1953, it was known as the Mutual Security Administration—MSA.

Fourth, August 1, 1953, through June 30, 1955, it was known as the Foreign Operations Administration—FOA.

Fifth, the new name for our foreign-aid agency, effective July 1, 1955, is the International Cooperation Administration—ICA.

In all probability, this new name will be good through the 84th Congress.

Mr. Chairman, my position at this time reminds me of a school controversy that prevailed years ago down in the grand old State of Louisiana. In a particular school there were two stubborn factions, one believing and arguing that the world was round, the other faction believing and arguing that the world was flat. Finally, one day the argument reached a climax and the school found itself without a principal. So it became necessary for the school board members to interview applicants so as to secure a new school principal. After many applicants had been interviewed and eliminated on account of their position on the question, another young man was called in for an interview and the question was put to him squarely.

"Mr. Jones, do you believe that the world is round or flat?"

The alert applicant immediately replied, "Gentlemen, I am prepared to teach the subject either way."

Mr. Chairman, on account of my past record with respect to foreign aid, no doubt many of my friends in the House are wondering if I am not in the same position.

Mr. Chairman, the estimate of appropriations for the programs covered by the Mutual Security Act of 1955, as submitted to the Congress, totals \$3,266,641,750. The estimate includes language to continue the availability of balances remaining unexpended as of June 30, 1955, as authorized in the basic legislation.

We are recommending an appropriation totaling \$2,638,741,750 for fiscal year 1956, a reduction of \$627,900,000 in the budget estimates. Also, a reduction of \$21,366,750 was made in the estimated balances reported as unobligated on June 30, 1955.

A reduction of \$420 million was approved by the subcommittee and the full Committee on Appropriations on the basis of a written understanding between responsible officials of the Department of Defense and the Committee that \$420 million of the estimated unobligated balance of \$932 million as of June 30 should not be released by the Bureau of the Budget for reservation by the Department of Defense.

In the hearings before the subcommittee, we were told at one point that the unobligated balance on June 30 would be \$100 million. At a later date the witnesses stated that the unobligated balance would be \$620 million, and at a still later date, it was admitted that the unobligated balance as of June 30, 1955, would be \$932 million.

However, after we received a letter of agreement from the office of the Assistant Secretary of Defense that \$420 million should not be released by the budget for reservation, other officials of the FOA and the office of the Assistant Secretary of Defense prevailed upon the budget to permit them to obligate all of the amount with the exception of approximately \$33 million.

In the last hour of the last day of the fiscal year, by some means or method, the FOA managed to place in the reservation category hundreds of millions of dollars which would be in direct violation of the law if it were not for the fact that they claim a reservation is not the same as an obligation. On that basis, it is obvious that a great majority of the reservations made by FOA are nothing more than unobligated balances.

DIRECT FORCES SUPPORT

For this item the Budget estimate was \$317,200,000. Your committee recommends an appropriation of \$305 million, which is a reduction of \$12,200,000. It should be pointed out that of the total of \$690,700,000 made available to date for this purpose, there remained unexpended as of April 30, 1955, the sum of \$544 million, which is nearly 80 percent of the total availability.

DEFENSE SUPPORT FOR ASIA

For this item the Budget requested a new appropriation of \$827,800,000, plus a reappropriation of an unexpended balance of \$25 million. The committee was advised that as of April 30, 1955, there remained unobligated for this portion of the program for Asia the sum of \$1,560,800,000, and on the basis of these large unused funds, the committee reduced the budget request by \$52,800,000.

DEVELOPMENT ASSISTANCE FOR ASIA

The budget estimate for this area is \$71 million, of which \$1 million is for Nepal and the remainder for India. The committee was advised that as of April 30, 1955, the unexpended balance for India for this purpose was \$105 million, plus. Therefore, the committee recommends a reduction of \$10 million.

TECHNICAL COOPERATION

The estimate for this purpose amounts to \$146,500,000. In view of the very large unexpended balance in this program as of April 30, 1955, amounting to \$189 million, your committee recommends a new appropriation of \$125 mil-

lion for fiscal year 1956, a reduction of \$21,500,000 in the budget estimate. It should be noted, however, that the committee recommends an increase of \$16,603,000 over the amount available for this program for the last fiscal year.

THE PRESIDENT'S FUND FOR ASIA—ECONOMIC DEVELOPMENT

The committee recommends \$100 million for this fund for fiscal year 1956 which is a reduction of \$100 million in the Budget estimate. It should be pointed out that the amount of funds requested was based on the amount provided in the authorizing legislation and that the authorization legislation provided for the availability of these funds through June 30, 1958. Further testimony was presented to the committee to the effect that only \$100 million of this amount requested would be obligated during fiscal year 1956.

I think it should be directed to the attention of the committee that in another section of the bill the President is given another \$100 million to be spent for economic aid wherever he chooses. Of course, you are familiar with the provisions of the law giving the President the right to transfer 10 percent of any unexpended funds from one program to another and from one section of the world to another.

Mr. Chairman, your committee was advised that the estimated unexpended balance as of June 30, 1955, for the mutual security program would amount to \$8,717,100,000. Add to that amount, the new appropriation requested in the bill under consideration, making the total amount available for the MSA program for fiscal year 1956, \$11,355,841,750.

With this startling sum, it would be almost impossible, that is, with proper management, for the new officials to obligate and expend wisely this large sum.

Mr. Chairman, the following is a very gloomy and disheartening quotation. I quote:

It is a gloomy moment in history. Not for many years—not in the lifetime of most men who read this—has there been so much grave and deep apprehension; never has the future seemed so incalculable as at this time.

In France the political caldron seethes and bubbles with uncertainty; Russia hangs as usual, like a cloud, dark and silent upon the horizon of Europe; while all the energies, resources, and influences of the British Empire are sorely tried, and are yet to be tried more sorely, in coping with the disturbed relations in China.

It is a solemn moment, and no man can feel an indifference—which happily, no man pretends to feel—in the issue of events.

May I state that the quotation just given was an excerpt from Harper's Weekly, volume I, page 642, of the issue dated October 10, 1857—98 years ago—under the administration of President Buchanan and during the 34th Congress.

It should be obvious to the Committee that the small reduction that your committee recommends in the budget request will not destroy the MSA program; neither will it correct the condition that has existed for centuries.

Mr. Chairman, I hope that the House will support your committee's recommendations. Your committee believes that your support of our recommenda-

tions will assist greatly in rectifying many of the irregularities and much of the inaccurate reporting by the officials charged with the responsibility of operating the foreign-aid program.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield for a question?

Mr. PASSMAN. I should be happy to yield.

Mr. DONOVAN. As I understand it, there is not any question that the gentleman is against the bill in its entirety?

Mr. PASSMAN. I trust the gentleman will reserve his opinion until we have concluded the bill. I do not think I spoke as though I were against the principle of this program. I do not think either the subcommittee or the full committee would have stood with me if I had not been fair and impartial in conducting the hearings in the committee and in arriving at the amounts we have recommended here for the consideration of the Committee. If the gentleman wishes to predict how I am going to vote, of course, that is his prerogative.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. VORYS. The gentleman made a statement, and a similar statement is included in the report, that there were written commitments made by responsible officials of the Department of Defense with reference to this matter of reservations. The gentleman knows that this bill was being shaped up in his committee at the same time that the concluding phases of the authorization bill were taking place on the floor. I conferred with him and was conferring with Defense officials on this matter. If it is proper, I would be very happy, if the gentleman felt it was within his province to do so, to have him tell us who it was who made the commitment and in what form and on what date, because I have been watching from afar some of this that went on and would like a little more definite information.

Mr. PASSMAN. I shall be very happy to clear that up for the gentleman. It is to be regretted that it is necessary to embarrass certain officials in the office of the Secretary of Defense and in the FOA. But let us see if we cannot analyze this honestly and sincerely. On the 28th of June, FOA officials found that they had approximately \$932 million unobligated and unreserved. I think the mutual-security law states that this agency may obligate only 25 percent of the total annual appropriation during the last 60 days of the fiscal year. They were stuck with \$932 million. We did not ask these people to come down and appear before our committee. They came down on their own. They said, "We have saved some extra money. If you will permit us to obligate \$312 million, then we will be very happy to give you a letter that \$420 million should not be reserved or obligated."

They knew that the authorizing legislation would provide a carryover of \$200 million. They felt that by salvaging \$312 million they would be perfectly willing to give up the \$420 million.

On the floor of the House on June 30, while I was in here listening to the debate, they called me from the Bureau of the Budget and said, "We have certain officials here." Another gentleman called me in conference over in the other body and said, "This Bureau of the Budget is trying to get us to agree to this." So finally they called me and said, "Sir, the gentlemen are down here. They would like to obligate these funds." I said, "How about the letter we are going to get?" They said, "We don't know anything about the letter whatsoever."

Here are the facts. They got a ruling from somewhere that a reservation need not be construed as an obligation. When they were given that interpretation of the law they rushed out and reserved several hundred million dollars during the last hour of the last day of the fiscal year 1955. Furthermore, under that action they obligated in excess of 42 percent of the entire fiscal year's appropriation in the last 60 days of the fiscal year.

This letter is from the office of the Assistant Secretary of Defense. I know it is going to be claimed that the signer had no right to make the commitment, yet this gentleman knew that there was \$932 million not obligated or reserved. I am reasonably sure that all of the officials of the Foreign Operations Administration knew what this man was doing, and said "You do down and get the \$312 million and give the committee the \$420 million if necessary."

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Virginia.

Mr. GARY. There was \$200 million of that \$900 million that would have been carried over under the authorizing legislation?

Mr. PASSMAN. That is correct.

Mr. GARY. Then if they got \$312 million more, that would be \$512 million they could carry over, and they would lose only the \$420 million?

Mr. PASSMAN. The gentleman is absolutely correct. However, they reserved all of it except \$33 million, because they got a ruling that a reservation is not an obligation. So they completely ignored the agreement they had made with this committee and had given us a letter to that effect. Their proposal was, "You give us \$312 million, the legislative committee gives us \$200 million, and then we will be very happy to release \$420 million."

Mr. JUDD. Read the letter.

Mr. PASSMAN. I was trying not to embarrass the gentleman, but I am trying to defend the action of the committee. The man's name is R. S. Moore, major general, United States Army, retired, Special Assistant to the Comptroller, Office of the Assistant Secretary of Defense.

Mr. GARY. Will the gentleman read the letter?

Mr. PASSMAN. Very well.

This is to make of record Mr. Shaw's and my understanding of the agreement reached yesterday, the 28th of June 1955, by the three members present in connection with the apportionment request of the Depart-

ment of Defense for Military Assistance Funds now pending in the Bureau of the Budget.

In substance the agreement was as follows:

(a) Unapportioned funds now held by the Bureau of the Budget in the amount of \$420 million should not be released by the Bureau for immediate reservation by the Department of Defense to support common item orders on the military departments to deliver approved program items prior to June 30, 1957, even though this procedure is authorized in accordance with section 110, Public Law 778, 83d Congress.

(b) That no objection would be interposed to the reapportionment by the Bureau of the Budget of approximately \$312 million included in the apportionment request now pending which represents funds which were previously allocated to the military departments for direct obligation against shipbuilding, offshore procurement, facilities assistance development of advanced weapons and other similar purposes, of approved programs and which are now to be reserved before the end of the fiscal year for common items required by the program.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. FULTON. There are those of us in Congress who are deeply interested in United States major military programs for bases abroad going ahead as they are planned, and in accordance with commitments. We are also interested in cutting the foreign aid program where we can reasonably do so. The gentleman from Ohio [Mr. VORYS] and some of us from the Foreign Affairs Committee including myself, have been so interested in the foreign aid program, we went to the Department of Defense to study the figures.

It was my amendment which was joined in by JOHN VORYS that cut \$145 million out of the original Executive's request for authorization on foreign aid for the coming year, of \$1,278,000,000 for military assistance.

Can you tell us for the House and for its consideration, whether this new proposed cut by the Appropriations Committee will be a cut which will result in efficiency and will not cut the ground out from any major military programs this country is interested in abroad nor will it cause us to let down on any United States obligations and commitments that have been given to any other nations and peoples?

The real point is this. President Eisenhower is going to the Big Four conference within a few days, and the question is: Will Congress be cutting the ground out from under the President by drastically changing any military or strategic program?

Mr. PASSMAN. I might say that we will not. Also, concerning the \$145 million the gentleman referred to they came before our committee and said, "We have no program for this." They referred to it as a kitty that they might be able to program at a later date.

Mr. FULTON. That is why my amendment cut it in the authorization legislation for foreign aid in 1955, which the Congress adopted.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. LANHAM. With reference to this question of obligating money at the last minute, I want to read to the members of the committee the testimony of Mr. Hensel:

Mr. HENSEL. Unfortunately the one thing that happens to this program is that it never stays static and your estimates have to vary because of events.

I do not have that Senate report in front of me, but I know what they took it from. They took it from my testimony, and if they stated it just as you stated it they left out my "if" clause. I said if we got all the allocations from the Bureau of the Budget we would be able to obligate or set aside, which has the same effect of any obligation under section 110 and 1311, all but \$100 million.

We have not gotten the allocations from the Bureau of the Budget and the time is just too late, and the \$620 million is our honest estimate of today.

Then a little later, they have this \$300 million.

Mr. PASSMAN. Three hundred and twelve million dollars; the gentleman is absolutely correct.

Mr. LANHAM. Then he went on to say this:

Frankly, with this shorter period I would not want to obligate any more than what we have contemplated under this last estimate even if I could. I would not want to rush into it.

Mr. PASSMAN. The gentleman is absolutely correct. That is the testimony of Mr. Hensel.

Mr. Chairman, I am going to have to conclude; but make no mistake about it, the amount of money the committee is now recommending will be more than the total amount they obligated out of fiscal year 1955 funds.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GARY. Insofar as military funds are concerned and military assistance; is it not true that there is an unexpended balance on hand now of \$6,767,200,000 and that we are adding to that an additional \$705 million, which will make the military funds available in the fiscal year 1956 approximately \$7,472,200,000.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DAVIS of Wisconsin. In connection with the discussion which was just held with respect to this balance of money within the last 60 days of the fiscal year, I note on page 165 of the hearings the testimony is to the effect that they were to obligate about \$73 million for the INFRA-structure program in the last 60 days, which amounts to 73 percent of last year's appropriation and well over 50 percent of the carryover, plus the appropriation, which on its face shows a violation of that 25 percent provision, as I understand it. Yet, as far as I can tell, the committee took no cognizance of that admitted violation of the 25 percent provision in the markup of the bill. Does the gentleman have any recollection on that point?

Mr. TABER. Yes, I have a recollection. We took very decided action and paid very special attention to it. We provided in the bill that not more than 20 percent of the appropriation and of the availability could be obligated or reserved.

I am emphasizing the word "reserved" in the last 2 months of the fiscal year. That action we took because we did not want to be fooled again.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. Was it not 25 percent within the last 60 days?

Mr. TABER. Twenty-five percent in the 1955 bill, but it was 20 percent in the 1956 bill.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. It is my understanding that the item of the committee said "obligated and/or reserved," so that there would not be any way to get around it.

Mr. TABER. That is correct, so that that would be an absolute prohibition.

Mr. DAVIS of Wisconsin. This provision in this bill cannot affect the showing in the record that they did violate the provision that existed in last year's bill. I can find no evidence in this year's appropriation that this has been reduced. It is an intrastructure in any way, to take cognizance of the present year's appropriation.

Mr. TABER. That is correct.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I might say the FOA reserved 45 percent of the total 1955 appropriation during May or June.

Mr. TABER. That is correct, and that was in violation of what was the intent of the committee a year ago.

Frankly, I am in support of this bill as it stands. Every item was worked out so that we had a general agreement insofar as I was concerned on the amount of each item that was there. Frankly, some of them I do not like, but I agreed to them and that is it. But I just want to call attention to this fact: We gave them in this bill \$704 million. They have reserved, and that is a kind of a block that represents what used to be called "unobligated," \$2,708,000,000. The total of those figures is \$3,400,000,000 for the military picture, and that is just as much money, within \$500,000 as they had available last year. That is the situation with which you are confronted. So you may see how we get into trouble and how you get into trouble, I am calling your attention to page 259 of the hearings, where they were requested to place in the record a table showing completely what they had deobligated. The total amount that was available to them when they started the fiscal year to obligate, was \$5,449,000,000. I do not know how much they spent the first 6 months. I do not have a record of it, but they came

to January 31 there was an unobligated balance of \$6,225,374,383, or \$800,000,000 more than they had available on the day they started.

When we got down to the 31st of March there was an unobligated balance of \$6,522,000,000, or \$300 million more than they had available unobligated on the 31st of January. You cannot figure they operated their setup on disbursement and obligations of less than a billion dollars in the first 6 months. That means that the "de-obligations" were at least \$1,800,000,000; perhaps they ran to \$2,500,000,000.

With the kind of setup they have, you have got to expect a cleaning up of the situation from a fiscal standpoint so that it will bear the light of day, and I am expecting that to come under the guidance of Mr. Hollister and Assistant Secretary Gordon Gray.

The will mean that they will have de-obligations of at least a billion dollars and that those funds will be available for embarking upon new programs. Lots of these programs they get in mind and initiate fall through. The result is they build up their unobligated balances to a point where they have a lot more available than we ever dreamed they would have.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. Do I understand rightly that if they had allowed the \$420 million of unobligated funds to lapse, the Committee then would have been disposed to give them the budget estimate for the new year?

Mr. TABER. Or approximately that; I would not say there would be nothing that would be cut.

Mr. JUDD. I mean this one item of military assistance.

Mr. TABER. Yes.

Mr. JUDD. But when at the last moment they went ahead and reserved this \$420 million, instead of allowing it to help lapse, the committee cut an equivalent amount out of the new money for the fiscal year?

Mr. TABER. That is it.

Mr. JUDD. That is the way the figure cut was arrived at?

Mr. TABER. That is just the way the figure was arrived at.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS. Looking over the hearings the other day I remember reading that the gentleman from New York [Mr. Rooney] and the gentleman from Indiana [Mr. Denton] and other members of the committee asked for a statement on what the items were that are not obligated or reserved that made up the \$620 million. I cannot find the page now, but someone said "It is here;" and somebody else said "I have not seen it." Now, is that list anywhere in the hearings? Is it available in the hearings or at the committee table?

Mr. TABER. I do not think it is.

Mr. PASSMAN. If the gentleman will yield, I may say it has not been available as far as I know.

Mr. TABER. The gentleman from Louisiana has not seen it.

Mr. PASSMAN. We had reservations only.

Mr. DENTON. If the gentleman will yield, I asked for the list, but I have not seen it yet.

Mr. TABER. I am glad to have the gentleman's contribution. The gentleman has never seen it. I have been interested in seeing it. Frankly, I was surprised when I found this table in the record indicating the deobligations, because I inspired that request, but when I came to check it through and found that it was not within 90 percent of being right I was disturbed.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. YATES. The report refers to the chaotic fiscal situation surrounding the administration of the program. Who has been in charge of this program?

Mr. TABER. Mr. Murphy has been in charge of the financial end of it. He has been the chief fiscal officer of the FOA for several years.

Mr. YATES. Is he in charge of the military-assistance program?

Mr. TABER. He has been in charge of the whole FOA financial setup.

Mr. YATES. Is he under Harold Stassen?

Mr. TABER. He was before the 1st of July.

Mr. YATES. When Mr. Stassen resigned?

Mr. TABER. Yes. But my understanding is—I think I am telling it correctly—that Mr. Hollister, the new man in charge of the overall picture, has arranged with a certified public accountant from one of the largest setups in the country, who has just retired but who is in physical condition to carry on, he retired because he reached 65, who is known as an outstanding leader in that field, to take charge of the accounts, to try to put them where they will be able to give a statement as to what the real condition is so that an ordinary Member of Congress and an ordinary accountant can understand it.

Mr. YATES. Did Mr. Stassen appear before the committee and testify concerning the chaotic condition?

Mr. TABER. He appeared before the committee for a little while one day, as I remember it, although he might have been there at another time. Was he there at any other time?

Mr. PASSMAN. Governor Stassen came back the second time.

Mr. TABER. I did not happen to be able to be in the committee at that time.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. I do not think it is fair to put the blame on Mr. Murphy in this situation because he does not in his position have authority to make reservations or to make obligations. The man who is in direct charge of this program would, I presume, make the final decision and that is Mr. Hensel. Is that correct?

Mr. TABER. Except for this: Mr. Murphy was the fellow in charge of the

accounts. When he was asked for a statement as to what had transpired in the past, he would be the one rather than Mr. Hensel who would provide the information.

Mr. YATES. Who is in charge of the program? Was not Mr. Stassen in charge of the program?

Mr. TABER. Up to the 1st of July.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I have received copy of a letter delivered by hand, dated July 11, 1955, from the office of the Special Assistant to the President, Mr. Stassen. In that letter he refers to a matter that causes me some concern because I want to favor whatever the Appropriation Committee feels is right on cuts. The gentleman from Ohio [Mr. Vorys] and I have been able to make all the cuts we could where practical in the program. But his statement at the bottom of the letter, I would like to have the gentleman's comment on because there are rather serious questions involved.

Mr. TABER. What page?

Mr. FULTON. At the bottom of page 1. It states:

It is not true, as the report of your committee has stated, that through readjustment of unobligated balances the program could be continued in an undiminished manner during the coming year.

Skipping to the next page it says:

This cut would prevent meeting these requirements.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 3 additional minutes. I think I must answer the question now. If the gentleman had been listening to what I was saying—

Mr. FULTON. I was.

Mr. TABER. He would have realized how it would be possible last year for this organization to proceed and take care of almost anything. Last year it appears from papers I have read from here this morning that they had deobligations of upward of \$1,800,000,000, yet they reported only \$187 million.

Now, it is absolutely impossible for it to be worked out any other way. That means that with the same amount of money, that is, with this \$2.7 billion of reserves and \$700 million of new money, they have practically the same amount for the military setup that they had last year or within \$500,000, and the deobligation based on the past, and that is the only way you can do it. And, we know that their obligations and their reserves are not firm; that they will have at least a billion dollars available to them in deobligations and returns from the reserves and that they will have all that money available to them to operate on. We might just as well face the facts, and those are the facts.

Mr. FULTON. Then, the gentleman disagrees completely for the Committee on Appropriations with the statement on page 2 of the letter to the gentleman of July 11 that in the latter case a delay of almost a year can result. The gentleman says no delay will result.

Mr. TABER. No delay will result, and that is based on the experience which I have detailed here completely, and it is absolutely irrefutable.

Mr. Chairman, I shall not go into other items in the bill unless there are some questions, because I believe the committee has done a good job and has met its responsibility as best it could, and I believe the program under the new leadership will go ahead and become a credit to the United States.

Mr. PASSMAN. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I have gone over with interest the section of the report of the Committee on Appropriations dealing with military assistance which begins on page 4. The facts set forth in the few paragraphs of that section constitute the final chapter of the extraordinary story of the unexpended balances of military funds.

The earlier chapters of this story were revealed to the Committee on Foreign Affairs in successive installments during the consideration of the authorizing legislation by our committee. A synopsis of these earlier chapters is contained in our report on the mutual-security bill, House Report No. 912, page 41.

I want to emphasize that the limitations contained in the mutual-security authorization as reported by the Committee on Foreign Affairs and passed by the House would have resulted in a cut of \$400 million, almost the same figure as the reduction recommended by the Committee on Appropriations, on the basis of facts available to our committee when our report was filed. We did not then know that the estimated unobligated balance would rise still higher than the latest figure available to us and we certainly did not know that the executive branch would obligate \$600 million on the last day of the fiscal year.

When the Foreign Affairs Committee began its consideration of the mutual-security authorization on May 25, we were told that the estimated unobligated balance would be \$100 million. On June 2 the authorization bill passed the other body with a limitation that the unobligated carryover could not exceed \$200 million. Then on June 13 our committee received information that the unobligated carryover would exceed the \$200 million limit in the Senate bill and we were urged by the executive branch to remove this limit to prevent a cut in the authorization.

On June 21, just before the Committee on Foreign Affairs completed its markup of the bill, we were told that the unobligated carryover of military funds would be some \$600 million. The reaction of the committee is stated in this paragraph from our report which I quote:

Rather than rework its authorization at so late a date in recognition of this increased availability of funds for commitment in 1956, the committee decided to retain the \$200 million limitation in the Senate bill which apparently will bring the 1956 funds more nearly into line with the original estimates.

Let me repeat the statement I made earlier that had the unobligated carry-

over really been only \$600 million, and had the officials of our executive branch not worked out some means of obligating over \$600 million in a single day, the limitation on carryover in the bill reported by the committee would have resulted in a cut of \$400 million.

I might add further that just before the bill came to the floor, we received further information that the unobligated balance would exceed \$800 million. The climax of the story is now available in the report of the Appropriations Committee, as I have already indicated.

I believe that the reduction of \$420 million recommended by the Committee on Appropriations is fully justified. In fact, I believe that the committee had no reasonable alternative.

Mr. Chairman, while we are around here talking about unobligated balances and carryovers, and so forth, I would like to make a general observation about that. From the best figures I can get, effective at the end of the first quarter of this year there are about \$101 billion in unexpended balances in all the departments of Government; about \$56 billion or \$57 billion of defense money unspent; from \$8 billion to \$10 billion unexpended balances in foreign-aid programs. It is common practice. It does not apply alone to the foreign-aid program.

Mr. Chairman, something has to be done by the Congress. I do not know whether the answer is to go back to the old contract authorization or not. I do not know what the answer is. But there has got to be some kind of different bookkeeping established. I am afraid that the definition of "obligation," as written out, I think, by the Committee on Appropriations last year, does not quite meet the bill. I do not know what the answer is.

I disagree with some of those cuts that made up the \$627 million. But the Committee on Appropriations, generally speaking, has done a good job and I did want to make my position clear as to the \$420 million.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that in our committee we thought that unobligated money in the amount of some \$420 million would lapse into the Treasury?

Mr. RICHARDS. All except the \$200 million.

Mr. JUDD. Now, they have come up with this other term "reservation." They use it part of the time as synonymous with obligation; at least, they insist it prevents recovery into the Treasury. But when it comes to the 25-percent prohibition, they do not use them synonymously; they can "reserve" as much as they wish. Mr. Hensel said:

I struggled and used to argue with my lawyers and staff that we ought to make no difference between reservation and obligation, but they have talked me out of it.

When they were before our committee, did we not think that the two still meant the very same thing?

Mr. RICHARDS. That is right. Here is the wording we used in the conference

report after we had passed this bill and heard that some of this was going on. The House insisted on this language being in the conference report:

The conferees were shocked at the wholesale "reservations" reported to have been made in the Defense Department during the last few days of the fiscal year, in order to "save" their appropriations from "losses" under section 1311—

And so forth. The reason I asked for this time is that I wanted to show the good faith of the Committee on Foreign Affairs in regard to this matter, and if there has been any wool pulled over anybody's eyes we were not a party to it.

I am concerned about what is going to happen in the future. I do not know whose job it is; certainly it is not that of the Committee on Foreign Affairs to work this thing out—that is, the bookkeeping or the formula concerning obligated funds and expenditures of funds and what latitude shall be given in regard to appropriations already made.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Illinois.

Mr. YATES. How does the gentleman feel about the \$10 million cut to India?

Mr. RICHARDS. I am sorry, I did not hear the gentleman.

Mr. YATES. The Committee on Appropriations cut the appropriation for India by \$10 million. How does the gentleman feel about that?

Mr. RICHARDS. I stick to the Foreign Affairs Committee figure.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from New York.

Mr. DONOVAN. There has been some discussion here about responsibility; and when the gentleman from New York [Mr. TABER] had the floor, the gentleman from Illinois [Mr. YATES] asked him some questions which indicated that there was some doubt in his mind as to whom had the actual administration of these funds. Am I correct in understanding that the \$420 million which was cut by the Committee on Appropriations came under the jurisdiction of the Pentagon?

Mr. RICHARDS. That is right.

Mr. DONOVAN. And Mr. Stassen and the FOA had nothing whatsoever to do with that?

Mr. RICHARDS. Mr. Hensel of the Pentagon presented that case to us.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. RICHARDS. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman stated Mr. Hensel presented the case. Who was in charge of the program, though?

Mr. RICHARDS. In over-all charge of the program—

Mr. YATES. Of the military aspects of the program.

Mr. RICHARDS. In overall charge of the presentation of the program, was Governor Stassen. The military presentation was made by Assistant Secretary of Defense Hensel.

(Mr. RICHARDS asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 14 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield briefly.

Mr. VORYS. On this question of who is in charge of what, I think it should be stated that the Mutual Security Act itself provides that a whole series of functions are to be performed by the Department of Defense and that Mr. Hensel was Assistant Secretary of Defense for the mutual security program, that he had his own auditors and his own fiscal officials, and that while Mr. Stassen had duties in connection with the presentation of the matter up here it was Mr. Hensel and General Moore and Mr. Shaw who presented, at least to our committee, the fiscal situation in the Department of Defense in which this \$420 million, \$600 million, and \$913 million gyration is involved.

Mr. YATES. If the gentleman will yield, is not Mr. Charles E. Wilson in charge of the program rather than Mr. Hensel? If he is Assistant Secretary of Defense, to whom is he assistant if not to Mr. Wilson?

Mr. FORD. If I may reply to the gentleman, the job Mr. Hensel held had a far closer tie to the position Mr. Stassen held rather than the actual position held by Mr. Wilson.

Mr. YATES. Mr. Hensel is assistant to somebody, I assume Mr. Wilson, is he not?

Mr. FORD. That is right, according to the charts, but the actual working relationship was with Mr. Stassen, not with Mr. Wilson.

Mr. YATES. Should not the responsibility be with the man on the highest level, either Mr. Stassen or Mr. Wilson?

Mr. FORD. If the gentleman wants to quibble about the line of authority, perhaps yes, but the working relationship was between Stassen and Hensel and not between Wilson and Hensel.

Mr. WIGGLESWORTH. Mr. Chairman, all of us appreciate the dangers by which we are confronted in the era in which we are living.

We are confronted by the military power of the Communist Government of Russia and its captive nations and by worldwide subversion and propaganda in the search for world domination by the leaders of the Kremlin.

One-third of the world's population is under Communist control.

Another one-third, more or less neutral today, may well determine the fate of the entire free world.

Our best assurance against possible disaster is to be found in a powerful, understanding and cooperative free world.

Military assistance, properly administered, can contribute to essential power.

Technical assistance, properly administered, can contribute to essential understanding and cooperation.

Mr. Chairman, I am supporting this program today, as I have done in the past.

I support it because I believe in its objectives, and because I see no alternative.

I am supporting it because I believe despite its shortcomings, its waste and extravagance, its lack of efficiency over the years, it has far more than paid for itself in Europe.

When I think back to 1947 when I visited some nine different countries overseas, and recall the conditions that prevailed at that time, I am constrained to believe that this program has helped to make possible what seemed at that time almost impossible.

I am supporting this program because I hope it will also prove effective in Asia and elsewhere where the cold war is now most acute.

I support it in the light of progress made in Europe and in other parts of the world; in the light of the recent change in tactics by the Communist Government of Russia; and in the light of the approaching conference in Geneva, with its worldwide importance.

This is no time, Mr. Chairman, to indicate to others any slackening in our

determination to win through to victory in the cold war.

The policy, as we all know, as far as the fiscal year 1956 is concerned, has been already determined by action of both houses of the Congress on the applicable authorizing legislation.

The world today knows that this program has been approved only a few days ago by the largest majority, I think, it has ever received.

The question before us at this time is simply a question of dollars and cents. It is a question of how much should be made available at this time within the ceilings which have been authorized, to properly implement the program.

As has been pointed out, your committee recommends an overall appropriation of \$2,701,275,000, if we include unobligated balances, \$649 million below the budget estimate, \$2,748,000,000 below what was made available in respect to the current fiscal year.

Under leave to extend by remarks, I include at this point in the RECORD, a copy of the table appearing on page 3 of the committee report:

Item	Available, 1955	Estimates, 1956	Recommended, 1956	Bill compared with—	
				Available, 1955	Estimates, 1956
Military assistance:					
Appropriation.....	\$1,020,973,387	\$1,125,000,000	\$705,000,000	—\$315,973,387	—\$420,000,000
Unobligated and unreserved balance.....	2,422,512,729	33,900,000	33,900,000	—2,388,612,729	-----
Total.....	3,443,486,116	1,158,900,000	738,900,000	—2,704,586,116	—420,000,000
Direct forces support.....	365,760,000	317,200,000	305,000,000	—60,760,000	—12,200,000
Defense support:					
Appropriation.....	1,162,577,808	1,000,300,000	947,500,000	—215,077,808	—52,800,000
Unobligated balance.....	32,200,000	25,000,000	25,000,000	—7,200,000	-----
Total.....	1,194,777,808	1,025,300,000	972,500,000	—222,277,808	—52,800,000
Development assistance.....	164,600,000	182,000,000	172,000,000	+7,400,000	—10,000,000
Technical cooperation.....	126,354,621	172,000,000	150,500,000	+24,145,379	—21,500,000
Other programs:					
Appropriation.....	130,834,000	470,141,750	358,741,750	+227,907,750	—111,400,000
Unobligated balance.....	23,563,250	3,633,250	3,633,250	—19,930,000	-----
Total.....	154,397,250	473,775,000	362,375,000	+207,977,750	—111,400,000
Undistributed unobligated balance.....		21,366,750			—21,366,750
Total Mutual Security:					
Appropriation.....	2,971,099,816	3,266,641,750	2,638,741,750	—332,358,066	—627,900,000
Unobligated balance.....	2,478,275,979	83,900,000	62,533,250	—2,415,742,729	—21,366,750
Total.....	5,449,375,795	3,350,541,750	2,701,275,000	—2,748,100,795	—649,266,750

I think this is a particularly helpful table giving, as it does, a majority of the overall figures in the situation under consideration at this time.

I want, however, to make 2 or 3 observations in reference to the table.

In the first place, you will notice that the 1956 figures in columns 2 and 3 of the table do not take into account the sums we have been talking about that have been placed in reserve for military assistance; sums aggregating as of the first of the month over \$2,704,000,000, a figure which was less by \$614 million on June 29, than it was on June 30, the last day of the fiscal year, for the reasons that have been pointed out.

Obviously, these reserves are in large measure not firm obligations. Obviously, they are in large measure available in respect to the fiscal year 1956, which began 11 days ago.

The extent to which they are available is not entirely clear.

If, however, we add the \$2,704,000,000 in reserve to the \$738.9 million recommended in this bill for military assistance, we arrive at a total available for military assistance in fiscal 1956 amounting to \$3,443.2 million, as compared with the figure for the current fiscal year of \$3,443.4 million, almost identical figures, on this basis, for the 2 years.

If we add the \$2,704,000,000 in reserve to the \$2,701,000,000, the total carried in this bill for all activities, we arrive at a total available in fiscal 1956 of \$5,405,500,000 as compared with the total available in the current fiscal year of \$5,449,000,000, or just about \$44 million less on this basis than in the current fiscal year.

Mr. Chairman, if we were to accept the argument made that all these reservations are firm obligations, then we are confronted with the fact that obligations

plus reservations for the month of June amounted to over \$1,085,000,000 as compared with an average for the previous 11 months of \$207.3 million; that obligations plus reservations for the month of May amounted to \$451 million, and that, therefore, total obligations plus reserves for the last 2 months of the fiscal year amounted to \$1,536.7 million or 45 percent of the funds made available for military assistance under the act of last year. This, despite the fact, that section 108 of that act provides and I quote: "That not more than 25 percent of any funds made available by this act shall be obligated during the last 2 months of the fiscal year."

In other words, Mr. Chairman, on the assumption that these reserves were, in fact, obligations, there would have been no authority to place in reserve the \$420 million which your committee recommends for deletion.

This is entirely apart from the matter of the written understanding referred to specifically in the committee report, to the effect that \$420 million of unobligated funds would not be released for immediate reservation by the Department of Defense during the closing hours of the last fiscal year.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has again expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WIGGLESWORTH. Mr. Chairman, I call attention also to the fact that the great bulk of the 1956 funds are going to be used, directly or indirectly, for military assistance.

If we add the sums carried in this bill for military assistance, for direct forces support, and for defense support, we arrive at a total of \$2,016 million. If we add the amount held in reserve, we arrive at a figure of \$4,720 million for this purpose.

This means that 74 percent of the new money, or 87 percent of the total, if we include the reserves, is to be used, directly or indirectly, for military assistance.

Only \$685 million carried in this bill is available for other purposes.

Finally, Mr. Chairman, I call attention to the shift in emphasis from aid to Europe to aid in other parts of the world.

There is practically no economic aid whatever here for any of the original Marshall plan countries.

Of the new money a maximum of \$400 million, or 15 percent, is said to be intended for Europe.

This leaves a balance of \$2,300 million, or 85 percent, for utilization in Asia, in the Near East, Africa, and in Latin America.

The recommendations of your committee by program, are spelled out in some detail in the committee report.

In addition to the \$738.9 million for military assistance, the report recommends \$305 million for direct forces support in 9 countries, mostly in Asia; \$972.5 million for defense support in 14 countries, mostly in Asia; \$172 million for development assistance in 11 countries in the Near East—Africa, in Asia,

and in Latin America; \$125 million for technical cooperation to provide relatively small amounts for a good many countries in the Near East—Africa, in Asia, and in Latin America; and \$362.3 million for other programs, which include \$200 million for discretionary allocation by the President, and \$33.5 million for administrative expenditure. Of the total reduction of \$649.2 million, \$520 million is in respect to two major items. The basis for the cuts are detailed to some extent in the report and I shall not go into them further at this time.

Mr. Chairman, I did not vote for all the reductions made by the committee. In the light, however, of the \$100 million fund available to the President for worldwide application for any purpose under this act; in the light of the additional \$100 million fund available to the president for Asian economic development within his discretion; in the light of the 10 percent transferability between appropriations under this act; in the light of the \$2,704,000,000 in reserve for military assistance, and of the \$8,717,000,000 of unexpended balances in the pipeline, I frankly do not believe that the amounts recommended to be withheld at this time will in any way cripple the program in fiscal 1956.

If there is additional evidence or any real basis for complaint, the opportunity for review is, of course, available at the other end of the Capitol.

Mr. Chairman, we are engaged in fighting a cold war. Every possible ally is vital.

This overall program, in my opinion, properly administered, is vital to our own national defense and to the defense of the entire free world.

I am confident that the House will vote the funds which are essential, particularly in view of the pending conference at Geneva, where our whole position depends upon a united front.

May I say, in conclusion, Mr. Chairman, that the President has recently appointed Gordon Gray, formerly Secretary of the Army and President of the University of North Carolina, as Assistant Secretary of Defense, in charge of military assistance under this program.

He has also appointed John B. Hollister, formerly a Member of this House, an outstanding lawyer, as Director of the International Cooperation Administration in the State Department in charge of the economic phases of this program.

I have great confidence in them both. I predict that under their leadership we shall see great progress made in eliminating the shortcomings which have rightfully subjected this program to criticism over the years since its inception.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman state how much is in this bill for offshore procurement?

Mr. WIGGLESWORTH. I do not have the figure in mind. Perhaps some other member of the committee can tell the gentleman.

Mr. VORYS. There is no special appropriation made for offshore procurement.

Mr. PASSMAN. There is no appropriation for offshore procurement.

Mr. GROSS. Does the gentleman have any idea how much is in the carry-over program for offshore procurement and for what purposes?

Mr. WIGGLESWORTH. I do not have the figure in mind. I think perhaps some other member of the committee may be able to throw some light on the matter.

Mr. GROSS. Somehow or other I gained the impression that there is \$51 million to be expended on offshore procurement for shipbuilding. Could that be possible?

Mr. WIGGLESWORTH. I think not. On the contrary, I think the record shows that there has not been a cent spent for shipbuilding, offshore, in the current fiscal year.

Mr. GROSS. The gentleman from Iowa is interested in knowing what you propose to do next year in respect to offshore procurement. On page 95 of the hearings I find this:

Mr. HENSEL. Yes; it does, \$19 million offshore procurement and \$51 million, Navy shipbuilding, Zone of the Interior. The \$70 million jibes with those two figures.

Mr. COMER. Parenthetical numbers.

Mr. TABER. That is Navy shipbuilding and offshore procurement?

Mr. HENSEL. Offshore procurement.

I would like to know what all that means.

Mr. WIGGLESWORTH. If I heard the gentleman correctly I think that most of the \$70 million referred to is for the Zone of the Interior, is it not?

Mr. GROSS. What is the Zone of the Interior? The gentleman from Iowa does not know what they mean by "Navy shipbuilding, Zone of the Interior" carried under an item pertaining to offshore procurement.

Mr. WIGGLESWORTH. I assume that is for construction within the continental United States.

Mr. GROSS. That is what I would like to know, whether it is or is not.

Mr. WIGGLESWORTH. The committee and the Congress expressed itself very strongly a year ago against offshore procurement in the field of ship construction. I assume that the policy prevailing in this respect in fiscal 1955, will continue to prevail.

I am advised that a specific request has been made for this purpose in fiscal 1956.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. MORANO].

Mr. MORANO. Mr. Chairman, I would like to ask if this program, as has been reported, carries the full authorization for the United Nations technical assistant program?

Mr. TABER. The full budget estimate.

Mr. MORANO. Mr. Chairman, I urge the House to approve the full amount of \$24 million for an 18-month contribu-

tion by the United States to the U. N. technical assistance program. This is the amount recommended by the Appropriations Committee after thorough consideration. I believe that any attempt to reduce this amount on the floor of the House by the device of a one-third ceiling would be extremely unwise and unfortunate.

I believe that this U. N. technical assistance is good for the United Nations, and that it is important. It is also good for other countries, and that is important too. But, above all, I think it is a good program for the American people and that is something that especially interests me.

The United Nations technical assistance program is making a long-term investment for the American people in other countries. It is building up future relationships which will benefit us in the years to come.

What does this program of technical assistance actually accomplish? It helps eradicate disease, so that the peoples of other lands can have the physical strength to assist themselves and improve their countries economically and socially; it drains swamps and irrigates deserts, thereby increasing food supplies in countries which hitherto have known nothing but the curse of famine.

This U. N. program goes along side by side with our bilateral technical cooperation program. The two programs do not duplicate each other; each one lends strength to the other because each one can do some things that the other cannot do or does with more difficulty. Out in the field and at headquarters, there is a steady watch kept to see that good coordination exists and that there is no duplication. In the countries where this work goes on there is a constant exchange of information and a good deal of consultation between the United States and the United Nations people.

The United Nations belongs to the countries of the world who are contributing to it and receiving benefits from it. When we do this kind of technical assistance work through the United Nations, we avoid many possibilities of misunderstanding. The countries participating in this program think of it as their own, something they have a voice in, a service organization to which they belong and which can help them to help themselves.

Now, I think there is one thing we have to watch. This technical assistance program has proved itself by its operations during the past 5 years. It has proved itself to be a fine program worthy of support. So, there are not many people who now presume to attack it directly. But what we have to watch out for is the kind of indirect attack which might result in impairing the efficiency and usefulness of the program to an extent way out of proportion to the amount of money that might be saved by reducing our contribution.

That is why I believe it would be most unwise to impose a ceiling of 33⅓ percent on our contribution to the technical assistance program. The effect would be to undo all the good work of the Appropriations Committee in recommend-

ing that our contribution be put on a sound basis of 18 months so that the United Nations can plan its work in this field properly.

I have no desire to change the present law which wisely limits United States contributions to the assessed budgets of the United Nations and the specialized agencies to a maximum of one-third of the total assessments against all members. This is sensible and fair and should not be changed. But let us not confuse this sort of legitimate limitation with the kind of arbitrary limitation involved in imposing a one-third ceiling on programs such as the U. N. technical assistance program which are financed on a voluntary basis and to which the one-third limitation has never before been applied.

We must not forget to take into account the very substantial contributions which governments of underdeveloped countries make to the local costs of projects in addition to their contributions on a regular basis to the central fund. These local contributions are funds which otherwise would not be used for technical assistance. For 1955, these local contributions are estimated at \$60.3 million, or no less than 68 percent of the total cost of the program. When these local contributions are taken into account, the proposed United States contribution for 1955 is about 17 percent of the total program. But the proposed one-third ceiling on the United States contribution would not take this situation into account. The result would be that we would be cutting down these substantial contributions which governments of underdeveloped countries have been making to the local costs of projects.

I would like to make one other point. Let us approach this question of reducing the proportion of American contributions in a businesslike manner. Let us not, through hasty action, imperil the successful operation of this program. Let us remember that reductions to a program such as this should be made gradually—and that is exactly what we have been doing. In the beginning of the program 5 years ago, the United States contributed 60 percent of the central fund. As the economies of the other developed countries improved, it was possible for them to increase their contributions and the United States was able to begin to reduce its percentage share of the total program. For 1954, the United States contribution was down to approximately 55 percent of the central fund. For 1955, it is proposed that we contribute about 53.6 percent. For 1956, it is proposed that the United States contribution be reduced to 50 percent of the central fund. This, I submit, is the sensible and prudent way to go about reducing the percentage of our contribution.

For these reasons, I will support the full contribution of \$24 million recommended by the Appropriations Committee for the 18 months beginning July 1, 1956, and I will oppose any effort to reduce this amount by imposing a ceiling of 33⅓ percent.

(Mr. MORANO asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, it has been a distinct pleasure for me to work with this subcommittee on appropriations for the mutual-security program. I do not think I have ever seen a committee that approached a matter on as fine a nonpartisan basis as this committee did in connection with its effort to arrive at the proper amount that ought to be appropriated for our foreign-aid program.

The gentleman from Louisiana [Mr. PASSMAN] and I came to Congress at the same time. As a matter of fact, we were both freshmen during that famous or infamous, according to the way you look at it, 80th Congress. I have always had a great respect for him and have admired him a great deal. We were reminiscing the other day about the first time we ever met. I believe it was down at the White House when the President had all of the freshmen Congressmen down there, the Democratic Congressmen at least, because Harry Truman was President at that time.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Iowa.

Mr. JENSEN. I was interested in the remark the gentleman made about the 80th Congress, being famous or infamous.

Mr. LANHAM. Famous or infamous, according to the way you look at it. It all depends upon the point of view.

Mr. JENSEN. I am sure the gentleman knows it was a very famous Congress in which he played his usual active part, because it was the Southern States Congressmen who joined forces with the Republicans during that session to defeat the things that were bad for America, which President Truman had recommended. I want to compliment the gentleman and all of the southern Congressmen for that fine patriotic job of supporting the Republicans in that most famous of all sessions. History will record that it was the finest, the best, and the most wonderful Congress that has ever held a session in this United States Capitol.

Mr. LANHAM. Without agreeing with my good friend from Iowa, I will say it was a famous Congress because in it there was a group of young southern Congressmen who came here for the first time—and a group of young Republican Congressmen also. I see my good friend from New York [Mr. RIEHLMAN] back there, who came here at the same time. They also came to that famous or infamous Congress as the gentleman from Louisiana [Mr. PASSMAN] and I did at that time. But, as I say, I have always had a very high regard for Otto PASSMAN. But I did not know him really until I had the privilege of serving under him as chairman of this subcommittee.

I have found that not only is he a splendid southern gentleman, and that is saying a lot for him, but he is persistent in his search for the truth, he is able, and he presided over this committee with the utmost fairness. He was put in a rather unfavorable position be-

cause of the fact that in the past he had opposed this program. As a matter of fact, before our committee—I am sure he will not mind if I repeat this here—he said that he was not only behind the 8 ball but he was behind eight 8 balls because for 8 years he had opposed and voted against this program. In spite of that, he set out to do a good job, to be fair as he presided, and he did just that thing, and with the help of the distinguished gentleman from New York and the other Members on that side, he made every effort to find out, if he could, just what the unexpended balances were so that we could intelligently determine how much should be appropriated this year. He was fair and courteous to the witnesses; he was patient and courteous to all members of the committee, and I want to say that as he defended this bill and the work of this subcommittee before the full committee, you would have thought he had been in favor of this program all his life. And, I think it is a tribute to the distinguished gentleman from Louisiana that after hearing all of the evidence, after listening to the witnesses, he was fair enough and his mind was open enough that he himself was convinced that we could not at this time discontinue this program, after he was convinced our whole effort was to find out how much money ought to be appropriated to carry this work forward.

Now, I think it is not necessary as I come before you today to say anything about the necessity for the continuation of this program. The House has adopted it and the Senate has adopted it. We mean to carry forward. We cannot turn back at this time. Taking into consideration our foreign aid program, the \$50 billion that we have spent in Europe, some of it wasted, yes, because inevitably in a program of this sort some money is wasted and some does not bring the result that we expect, but by and large the Marshall plan program and all of the programs that have followed have been successful. And, today we see Russia, in a sense, in retreat. We are winning the cold war, and do not mean to stop now. And the chairman of this subcommittee was convinced of that, and he joined with us or, rather led us in attempting to arrive at the proper amount that we ought to appropriate for this program for the new year, for the year beginning July 1.

Now, I did not agree with all of the cuts that were made in this program. I would not have voted and did not vote for the cut of \$100 million to the President to use as he sees fit in Asia. I think now that most of our attention must be turned to Asia. I think the future of the free world probably depends upon what we do in Asia. It is up to us to win over the people of India and the other people who are now free. Maybe you think they are not our friends. There are things at times we do not agree with as to what some of their leaders may do, and it may appear that they are siding with the Communists, but today the people of India are free and the people of many of the countries of southeast Asia still are free, and in order to win in this struggle, if we win eventually, we have got to win those uncommitted peoples

of Asia. I, for one, am willing to risk your President and my President with \$100 million if he can use it to good purpose in Asia, but I am going to go along with the committee on this cut, because I think the President can get along without it, and if the President does need it, then we will in a supplemental appropriation give him the funds. Then, when the bill goes to the so-called upper House, why, you know what they are going to do to it. They are going to "up" it, just as they always have. So why should we do it here? I am going along with the committee on this bill, although as I say, I did not agree with all of the cuts that were made.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Indiana.

Mr. ADAIR. As an eminent legal scholar, which the gentleman certainly is, I wonder if he is able to cast any further light upon this distinction which has been brought before the Committee today, that is, the distinction between funds which are reserved and those which are obligated. Can the gentleman help us any in that field?

Mr. LANHAM. I think when we discuss that, it is sort of the difference between tweedledum and tweedledee. And, without criticizing Mr. Stassen, for I think he has done a fine job, and without criticizing Mr. Hensel, I do think they did not fully know what was going on. Their bookkeeping was not good.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman.

Mr. ADAIR. Does the gentleman feel, for the sake of clarity and understanding, that it would be well if we could, to pin down specific definitions of those terms?

Mr. LANHAM. I understand this committee tried to write a definition last year. Whether they succeeded, I do not know; I was not a member of the committee at that time. But the bookkeeping ought to be revised. It ought to be possible for the House to know what these unobligated balances are. I understand that on the 30th day of last month, there were four different answers sent to the committee on what the unobligated balances were. And the gentleman from Indiana [Mr. ADAIR] is right. There ought to be a clearer understanding of the meaning of the words, obligation, reservation, set-aside, and allocation—words that are used almost interchangeably and without any real distinctions between them.

I hope this Committee will go along with the Committee on Appropriations on the cut of \$420 million because there was no excuse for the way the committee was treated by Mr. Hensel and Mr. Stassen at the 11th hour of the last day of the fiscal year, in view of the statement made by Mr. Hensel before our committee, which I read a few minutes ago at the House, that he would not rush out at the last minute and commit unobligated funds, that he would not do it if he could; yet he did.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the distinguished gentleman from Ohio.

Mr. VORYS. The gentleman served with distinction on the Committee on Foreign Affairs last session.

Mr. LANHAM. And with a great deal of pleasure.

Mr. VORYS. I am not going to embarrass the gentleman by asking him which committee assignment he likes best, but I am going to say merely that we miss him on our committee.

Mr. LANHAM. I thank the gentleman very much and can assure the members of that great committee that there is no more interesting or important committee of the House. I am just happy that I was assigned to the subcommittee on the mutual security program when I was transferred to the Committee on Appropriations.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. DONOVAN. I appreciate the frank and candid statement of the gentleman. Could the gentleman tell the committee, and definitely without any embarrassment to himself, what those other cuts are that he thinks could well not have been made?

Mr. LANHAM. There were a few small cuts that did not amount to very much. At the moment I cannot say what they were. But as to the \$100 million cut, that I felt should not be made. Personally, I would have voted for the additional money for Spain, but we could not. The committee could not do it at the time, because we had no authorization to increase the appropriation for that purpose.

I hope the committee and the House will go along with this subcommittee. I think we have a good bill. After the upper House has finished with it, and the conference committee has acted upon it, I am sure we will have sufficient funds to back up the President as he goes to Geneva to meet with the others at the summit. And our prayers go with him as he goes to this important conference.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I think the record clearly shows that over the years I have supported this program both as to authorizations and as to appropriations. I feel that the action we have taken in this committee for fiscal 1956 is in conformity with a good program for the next 12 months. This general statement does not mean, however, that I endorse or support every change that was made in the budget figures as submitted to the committee. I simply say that when we got all through with the whole package, after the subcommittee had held hearings and made certain decisions, I support the final conclusion.

There were in several instances revisions downward that I think were unwise. My personal view on the President's fund for Asian economic development conforms to that of the gentleman from Georgia [Mr. LANHAM].

This committee, particularly this subcommittee, made an honest and sincere effort to get facts upon which we could make sound decisions. Either by inadvertence or for some other reason these facts were not properly and intelligibly given to us. As a consequence, the committee felt that it had to take certain action. We had no alternative in conscience.

I support entirely the position of the subcommittee with reference to the \$705 million in new funds plus \$33,900,000 in reappropriation of unobligated funds for military assistance. I support the disallowance of the \$420 million for military assistance.

I think it is exceedingly unwise for certain people in the executive branch of the Government to condemn and criticize certain members of this subcommittee for the action which was taken. I know that some members of this subcommittee who for years opposed in whole or in part this program in the last 2 years bent over backwards to be helpful. At the present time to have certain individuals on the subcommittee by innuendo or implication criticized when the blame truly rests on the agency, is in my judgment not playing square. Why do they not accept the blame, appeal the decision to the other body, and then let us work out a solution in the conference?

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. This difference of opinion causes some concern to those of us who are interested, as of course we all are, in the defense of this country. For example, here is this statement by Mr. Stassen that the cut of \$420 million would result in an inability to fulfill urgent needs in countries where military requirements have been discussed and agreed upon and where countries have taken steps to meet commitments on raising forces, granting bases, and so on. I would like an authoritative and specific statement on that from the committee, if we could have it, that that is not correct, because I would like to favor the committee's position of reducing the previous amount where we can, but in the face of an assistant to the President saying to us that it may be breaking down specific United States commitments on strategic needs, I would like that explanation if somebody on the committee can give it.

Mr. FORD. The gentleman has served on the Committee on Foreign Affairs for a good many years, at least 6 or 7 to my knowledge. I have served for 3 years on the Subcommittee on Foreign Aid of the Committee on Appropriations.

There is a book on the table over there for fiscal year 1956 appropriations for foreign aid, military and economic. If the gentleman will look at that book, some of which is classified, he will see certain programs outlined, country by country, some of them itemized down to the last rifle and the last bullet. A year from now it would be interesting to compare results with what was proposed. There would be little similarity.

That is not necessarily wrong, but when they come up this year in the last couple of months and outline all this great detail and say, "If you change that, the program is going to have the heart cut out," and then a year from now when we go back to review what they did with the money we gave them they say, "Well, the program was changed, circumstances were revised, and so forth," they are not being consistent.

The point is this. Some contend we have upset and disrupted the policy, because they had a firm program. Well, the facts are that the program is not firm. They will be the first to admit that the programs are subject to revision and amendment depending on world conditions. They can and do adjust the program and the Congress should have the same right without being criticized.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I am glad to yield to the gentleman.

Mr. LAIRD. I know the gentleman from Michigan is very familiar with the fiscal operations of the FOA. I would like to get a little clearer picture of these fiscal operations. Is it not true at the present time the Foreign Operations Administration has unexpended balances of over \$8.7 billion?

Mr. FORD. According to the figures given to our subcommittee, that is approximately correct.

Mr. LAIRD. And will we by this bill add another \$2.7 billion to that unexpended balance of the Foreign Operations Administration?

Mr. FORD. That is correct, I believe.

Mr. LAIRD. Is it not also true that the first 6 months of this past fiscal year the deobligations of the Foreign Operations Administration far outdistanced the obligations of FOA?

Mr. FORD. I think that is correct; yes.

Mr. LAIRD. Is it true that the obligations of the FOA last month were far greater than in the entire first 6 months of the fiscal year 1955?

Mr. FORD. I believe that is true, if you include reservations.

Mr. LAIRD. It would seem to me that we, in Congress, should be interested in getting this program on a somewhat businesslike basis so that a "firm shop" can supervise these funds which we have made available to our friends throughout the world. I cannot see how we can ever get a "firm shop" if we proceed in the manner we are in this bill. How can we ever get this program on a businesslike basis if we continue giving more and more funds? It would seem to me that we could get along appropriating this year not in excess of \$1 billion in view of the fact that deobligations have outdistanced obligations of the funds under this program during a major portion of fiscal year 1955. The FOA has gone out and tried to obligate everything they could, from the kitchen sink on down, this past month. This happens because we have made too much money available in the past appropriation bills.

Mr. FORD. Let me say to the gentleman from Wisconsin, I do not happen

to agree with some of the conclusions he has stated in the last 5 minutes he has used my time, nor do I agree with the action taken by Mr. Stassen and Mr. Hensel in the last day or two of the fiscal year. I think the program can and should work well. It has achieved considerable success in many areas of the world over the past few years. However, I think they can and must improve their day-to-day operations fiscally over the record of the past 7 or 8 years. Some considerable improvement has been made in the last 2 years, but there is ample area for even better fiscal operations.

Mr. LAIRD. I thank the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield for an observation?

Mr. FORD. I am very glad to yield to the gentleman.

Mr. JUDD. Is it not just inescapably true that, when they come up in the month of May or June and present a detailed program of what they are going to do, and then as soon as they get the money they actually carry out a greatly modified and sometimes almost unrecognizable program, it means either that they did not know what they were talking about when they presented their program to us or else they were not quite on the level when they represented it as a genuinely firm program? It has to be one or the other.

Mr. FORD. The gentleman is entirely accurate.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FORD. I am very glad to yield to the gentleman.

Mr. DAVIS of Wisconsin. I am trying to rationalize this situation with respect to the infrastructure appropriation which I asked about a little earlier, and I do not feel I got the information we ought to have on that program.

Mr. FORD. Let me say to the gentleman, as he knows I was sitting on two subcommittees—the Military Construction Subcommittee and this particular subcommittee. I was not at the hearings at the time the presentation was made on the infrastructure program so I am not qualified to give him an answer on that particular point. If there is someone else on the subcommittee who was there, I am certain the question can be answered. I was attending a Military Construction Subcommittee hearing when this infrastructure presentation was made.

Mr. DAVIS of Wisconsin. Perhaps this matter did come up in the executive session. But the problem I have in my mind is this: Under existing law, they were permitted to obligate only 25 percent of any funds in the last 60 days of the fiscal year.

Mr. FORD. It was 20 percent; was it not?

Mr. DAVIS of Wisconsin. I think under existing law, it was 25 percent or is 25 percent, but now the bill provides 20 percent.

The hearings show on their face that they attempted to obligate \$73 million in the last 60 days of the year when, if you consider their carryover, plus the new appropriation, legally they could

obligate only \$35 million, and if you take care of the new funds, or \$100 million in the current fiscal year, they could obligate only 25 percent. In other words, they went 50 percent one way and much more than 50 percent of the total available money if you take the other. Yet in the bill now before us there is a carry-over of every single dollar that was requested for the infrastructure program for this year. Where you have a patent illegal obligation in the last 60 days on its face, I cannot understand the committee giving them every dollar they asked for in the bill we have before us.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield. I presume the gentleman may throw some light on the gentleman's question.

Mr. GARY. As a matter of fact, the 25-percent limitation did not apply to these particular items. It applied to the fund as a whole. There was no specific limitation as to each item in the bill.

We are committed to a program of some \$321 million in the infrastructure program. We have put into this bill \$122 million to carry forward that program to which we are already committed.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. HESELTON. I would like to ask two questions which may not be proper, which might be called classified, but which would be helpful to those of us who do not serve on the Committee on Appropriations. I refer to what the gentleman said a few minutes ago. Is it possible to say how much of the funds appropriated for the last fiscal year were used wisely and soundly, and how much, in the opinion of the committee, was not used wisely and soundly?

Mr. FORD. As far as I could tell, I think the program was generally administered quite well. I cannot state this this Army tank was wisely allocated, or that gun was unwisely allocated. I think the general, overall management was in good hands, but I do not believe they made a completely fair presentation to the committee on what their financial picture was in the last few days of the fiscal year. I hope and trust the book-keeping problems will be straightened out. At this point I must state, in my opinion, John Murphy, of FOA, was not at fault in this situation.

Mr. HESELTON. May I say I think the gentleman's position over the years has been so well established that he carries very great weight with those of us who know him and appreciate the sincerity with which he approaches the very difficult problems that face the committee and the Congress in this instance.

May I ask this further question, and again it may not be proper to answer, but if you could be made available so that the Members could look at it, it would be helpful: Has the committee made any determination as to what countries have received funds and used them wisely, and what countries have received them and not used them wisely?

Mr. FORD. In the military assistance part of the program we did not delete any line items in their so-called pro-

gram. We simply made a gross reduction of \$420 million in new funds, leaving \$705 million for the current fiscal year, plus the reappropriation of \$33,900,000 out of previous funds which had not been obligated. We have simply said that this is the amount you can have available for fiscal 1956; you adjust your program to the over-all total.

Mr. HESELTON. Then it is up to the Administrator properly to handle the funds as between the American taxpayers and those we want to help?

Mr. FORD. That is entirely correct.

In my remaining time may I comment on what the subcommittee has proposed.

In the case of direct forces support we made a cut of \$12,200,000 out of a requested amount of \$317,200,000.

In the item Defense Support for Europe, we gave the full budget amount which was \$70 million. In the case of defense support for the Near East and Africa we gave the total requested, \$102,500,000.

In the case of Defense Support, Asia, the administration requested \$827,800,000. The committee made a reduction of \$52,800,000. This is one area where I, to some extent disagreed with the subcommittee, but Members should look at the record. They had unexpended on April 20, 1955, \$1,056,800,000. In addition, they recaptured, which will be available for other uses, I think around \$200 million worth of military equipment in that area of the globe.

For the developmental-assistance program for the Near East and Africa the committee gave the full amount, \$73 million.

Developmental assistance for Asia: The committee reduced it \$10 million. The request was \$71 million. The \$10 million reduction is earmarked for India. This means that India will get \$60 million rather than \$70 million for fiscal 1956.

For developmental assistance, American Republics, the budget requested \$38 million. This committee has authorized the full amount.

Technical cooperation: A reduction of \$21,500,000, but the total approved is \$16,603,000 more than the agency had during fiscal 1955. It must be admitted the sum of \$125 million for technical assistance is sizable.

I regret time does not permit me to discuss all aspects and items in the bill. I must say, however, that from the facts presented to the subcommittee, in my opinion the committee's recommendation should be supported.

Mr. PASSMAN. Mr. Chairman, I yield 12 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Foreign Operations Appropriations of the Committee on Appropriations brings to the floor of the House for your approval the mutual security appropriations bill for 1956.

Our chairman, the distinguished gentleman from Louisiana [Mr. PASSMAN] possesses the ability, knowledge, and understanding for such an assignment, and it has been a pleasure serving with him on this subcommittee. We were

fortunate to have as our staff assistant, Jay B. Howe.

Mr. Chairman, we recommend appropriations total \$2,638,741,750 for fiscal year 1956. This is \$627,900,000 less than the budget estimate, and we further recommend a reduction of \$21,366,750 in the estimated balances reported as unobligated on June 30, 1955. The new money amounting to \$2,638,741,750 added to the unobligated balance allowed of \$62,533,250, makes a total for 1956 of \$2,701,275,000. This amount is more than ample when you consider that we have the sum of \$8,717,100,000 obligated and unexpended in the mutual security program. If it became necessary this program would carry itself for nearly 3 years without any new appropriations. This bill provides for \$705 million for military assistance; \$305 million for direct forces support; \$947,500,000 for defense support; \$172 million for development assistance; \$150,500,000 for technical cooperation; \$358,741,750 for other programs, making the total \$2,638,741,750 of new money, and with the unobligated balance amounting to \$62,533,250.

I know that a great many people in this country regard our foreign aid program as a futile effort to buy friendship. Friends cannot be purchased, and our mutual security program would be a complete failure if based on this premise. It is imperative that we understand that the safety of this country no longer depends merely upon our Armed Forces, but upon the combined military power and political and economic stability of the free world as a whole. It is admitted that some of our friends and strongest allies who have benefited the most have proven a disappointment, and no better proof can be offered than the Korean war. It is further admitted that our mutual security appropriation each year would be sufficient to balance the budget, but we should remember that we are today appropriating \$31,882,815,726 for defense. Without foreign aid this amount would necessarily increase because the day we decide to fortify behind the two oceans our armed services strength will exceed the 2,666,000 now provided for under the above appropriation. Our Army alone would be five times as large as it is today, and universal military training and selective service would face the majority of the men and women in this country. We must also remember that it is cheaper to finance foreign forces in their own country than to maintain an equal number of United States divisions far from home.

Total United States budget expenditures for fiscal year 1956 are estimated at \$62,400,000,000. Our foreign aid program is certainly only a small part when you consider the benefits received. The major cost of production against war in our budget for 1956 requires 67 percent of the total set forth above.

The American people are entitled to complete and frank answers concerning our foreign aid programs and the day of secrecy has passed. This is one of the reasons why our people generally do not believe in this program. Our people are entitled to know the true answers and to have more information

than fine statements that this program is an indispensable part of a realistic and enlightened foreign policy with the objective being a just, prosperous, enduring peace. The American people know what our objectives are in making this money available, and they are also entitled to know the reasons advanced by responsible leaders of foreign nations for asking for our money and just what they intend to do with this money. Our people are taxed for this program, therefore, all of the secrecy of the past concerning the use of this money must cease. Another reason advanced against the continuation of foreign aid is that the leaders of the countries assisted know of our aid, but the people in these countries generally do not understand just what we are doing for them. A number of incidents have occurred throughout the world recently which prove this statement. In a number of countries the press and radio carefully avoid any mention of our assistance, and to me this is an outrage. Leaders come and go, but the people remain. If our money is acceptable by the leaders surely the people in the country assisted should be acquainted with the facts. We only want these people to know of our friendship, and do not expect subservience. Since April of 1917 we have expended \$128 billion in foreign aid. Forty-five nations have participated and 39 percent of this amount was received by England. Since the end of World War II the United States has dispensed foreign aid per calendar year as follows: \$4,999,000,000 for 1946; \$6,221,000,000 for 1947; \$5,465,000,000 for 1948; \$6,545,000,000 for 1949; \$5,109,000,000 for 1950; \$4,837,000,000 for 1951; \$5,006,000,000 for 1952; \$6,405,000,000 for 1953; \$4,669,000,000 for 1954.

It is true that we have expended \$128 billion for foreign aid, and our national debt of \$276 billion amounts to more than all of the rest of the world put together, but as we continue our struggle for peace we must remember that the gross tabulation of monetary cost to the United States of World War I amounted to \$66,592,966,000; World War II cost \$449,678,266,000; Korean war cost \$150,878,533,000, making a total for the three wars of \$677,149,765,000.

The free world is today threatened by the most dangerous aggregation of aggressive power in our entire history. The Soviet Union and Communist China today maintain the largest collection of men under arms ever assembled in peacetime. They possess nuclear weapons and great quantities of basic natural resources. Since the close of World War II Red armies stationed in eastern Europe prevented free elections and forced 10 once free nations to become slave states; attempted same procedure in Turkey, Greece, Italy and France; in 1948 used threats of force and took over Czechoslovakia; in 1948 attempted to take over the city of Berlin by blockading land transport routes, inspired armed bands in Philippines, Malaya, Burma, and Indonesia; aided Chinese Communists in 1949; 1950 Communist armies from North Korea crossed 38th parallel; 1951 Chinese Communists acquired

Tibet; 1954 Communist led forces gained control of North Vietnam.

When we compare our Armed Forces with that of the Communist World we see the difference. They have nearly 9 million men under arms. To maintain such an army would place a tremendous burden upon the people. With nuclear weapons and present day airpower we must have a strong network of sea and air bases scattered throughout the world. Foreign aid is essential at the present time, and we must keep our friends in Asia, Africa and Latin America.

In my opinion the Soviet Union has overextended herself in the past 3 years, and the sudden change in attitude of the past 4 months is a play for time. Russia has a mutual security program. Nine of the 12 Communist-ruled nations are contributing \$750 million in materials, machinery and technical assistance to North Korea today. The Communists hope that we will again disarm and return to the pre-Pearl Harbor days. We must be ever vigilant and continue our efforts for peace by remaining militarily strong. We only have 6 percent of the world's population and the Communists have 35 percent of the total population. Notwithstanding our great economic resources we still must rely upon foreign countries for many essential commodities.

Millions of dollars of foreign aid money has been wasted. Now is the time to check this waste. We attempt to correct this matter in this bill. Under this bill no economic aid of any kind is being requested for any of the Marshall plan countries in Western Europe. Our foreign aid program saved Western Europe. Asia is the focal point of present Communist pressure, and here we shall have a long range struggle of freedom against oppression. For the past 4 years the need has been great in Asia. In Asia we have fertile territory for communism. Here we have an epidemic death rate; illiteracy ranging from 70 to 90 percent; average income close to zero with life lived at the levels of 1,000 years ago. We will use 68 percent of our nonmilitary foreign aid funds in the countries of free Asia during 1956. The shadow of communism hangs over 15 Asian nations, Afghanistan, Pakistan, India, Nepal, Ceylon, Burma, Thailand, Cambodia, Laos, South Vietnam, Indonesia, Philippines, Nationalist China, Korea, and Japan. All of these countries are alert to the lure and dangers of Communist subversion. Seven hundred and seventy million people reside in these countries. Ten of the 15 countries of free Asia were colonies of other nations before World War II. Their political freedom is the consummation of a dream of many generations. Their military and economic strength are valuable to the United States and to the Free World. Our safety is related to their safety and we are tied close economically. Russia is striving to take over this huge territory of vast resources and vast population.

We must take a new look at our foreign-aid program and our defense expenditures. All waste must cease and

we must remember that in our own country our highways and waterways need repairs and extensions; our educational system needs improvements in physical facilities; our national parks should be fully developed and our hospitals are in need of further improvement. Further reductions should be made when possible.

This bill covers many fine programs. We recommend the full amount requested for the United Nations children's fund of \$14,500,000; the United Nations technical-assistance program of \$24 million; escapee program of \$6 million. We recommend \$1,500,000 for ocean freight on voluntary relief shipments and \$10 million for ocean freight on surplus agricultural commodities. We further recommend \$1 million for the United Nations refugee fund to be used in solving location problems of the many refugees originating for the most part from World War II.

Our most important step toward mutual security was the creation of the United Nations, and, as provided for under its charter, we must save succeeding generations from the scourge of war. The United States occupies the top position as far as leadership of the world is concerned and we must temper this leadership with love, Christianity, understanding, and vigilance. We must remain strong spiritually, economically, and militarily in order to preserve our freedom and the peace of the world.

Our committee recommends this bill to the Members of the House.

At this point I yield to my good friend, the distinguished gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I was interested in the gentleman's enumeration of the many good programs contained in this appropriation bill. Will the gentleman agree with me that it is a good program to meet the shortage of classrooms throughout the United States?

Mr. NATCHER. I certainly do. I want to say further to my good friend from West Virginia that today in this country we have need of additional highways and waterways. The distinguished gentleman recalls that some 2 weeks ago I took the floor of the House and made the statement that I believe that our public-works program is just as important to Michigan, Florida, Kentucky, West Virginia, and all the other States as is our mutual-security program. So I say that I agree with the gentleman.

Mr. BAILEY. Let us stick to the humanistic angle, our boys and girls.

Mr. NATCHER. I thank the gentleman.

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. GAVIN. Mr. Chairman, it is interesting to note that when this bill passes here today we will have set up \$11,355,000,000 to spend. If that figure is

incorrect, I wish some member of the committee would correct me.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield to me?

Mr. GAVIN. I am glad to yield to the distinguished gentleman from Louisiana.

Mr. PASSMAN. Add to that \$841,-750,000 and the gentleman's figures will be correct.

Mr. GAVIN. Then we will be up to around \$12 billion, and there are but few Members on the floor of this House concerning themselves with that gigantic, colossal program of spending.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I am glad to yield to the gentleman.

Mr. SMITH of Wisconsin. I would like at this point also to point out that at no time under this program has the administration been able to spend more than \$4.5 billion in any fiscal year.

Mr. GAVIN. I want to thank the gentleman for his statement.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I am glad to yield to my friend from Iowa.

Mr. GROSS. Is the gentleman opposed to this bill? I have not been able to learn.

Mr. GAVIN. Will the gentleman repeat that question?

Mr. GROSS. Is the gentleman opposed to this bill?

Mr. GAVIN. I am opposed to the bill.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Not at this time, as much as I like my very good friend from South Carolina whom I admire very much.

Lately our foreign policy has undergone an agonizing reappraisal. A similar reappraisal will have to be made of our foreign economic programs. For we and our constituents know that the time has come to put an end to our excessive 'round the world handouts.

Lately we have carefully screened every appropriation that affects the welfare and well-being of our own people. A similar screening of the current foreign aid request should be made to see if we cannot effect some economy by reducing foreign spending.

We argued here for days on a \$12 million or \$14 million differential in a pay increase for our postal employees. We spent days and days on that legislation. Here are billions involved; nobody appears to be much concerned.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman.

Mr. GROSS. I seem to recall, and I believe the gentleman does, that we had a bill before the House not so long ago providing for a rather meager appropriation for disaster relief, for hardship relief in this country, and one of the strongest supporters of this proposed legislation here and the authorization bill, voted "present" on that bill. I wonder if he will vote "present" on this.

Mr. GAVIN. I have not any idea how he will vote. I certainly would like to see an interest on the part of the House in these gigantic programs of spending.

The House recently authorized approximately \$3.3 billion of continued aid

for fiscal 1956, and the bill before us today is the request for the appropriation. The major portion of this aid will now go to Asia. The primary purpose of this aid program, which the Congress is now being asked to continue, was to give assistance for the relief and recovery of war-devastated areas. In fiscal 1956, the total asked for that type of economic program is the large sum of \$712 million to be added to the \$1.2 billion as yet unspent. The rest of the money will be diverted into defense purposes that we are helping to underwrite. The cuts—\$649 million—that have been made in the appropriation bill before us today should stand.

Essentially I am against this continuing program of foreign assistance. I will set out my reasons very plainly.

At the end of the war we began with UNRRA. Soon we had aid to Greece and Turkey. We continued with interim aid and then the full glory of the Marshall plan burst upon us. The Marshall plan has gone through successive stages: namely, the European Cooperation Administration—ECA; the Mutual Security Agency—MSA; the Foreign Operations Administration—FOA; and now we have the International Cooperation Administration—ICA. The continuation of these agencies seems to have no end. We start with Hoffman, carry on with Harriman, continue with Harold Stassen, and we will now have a new man—Mr. John B. Hollister.

The number of agencies has increased and Government employees are being shifted from agency to agency, at home and abroad. At one time we had 1,400 officials in Paris disbursing foreign aid alone.

My contention is that economic recovery of these countries is complete and the grants of funds for these programs should be discontinued. First of all, we worked on a continental plan for Europe. The emphasis has now shifted to a Pacific-Indian plan, and no doubt we will very soon be asked to underwrite a global plan for which I do not even have a name. The sad part is that all of these programs began without a positive blueprint. They were feeler programs and once the tentacles found a soft spot the programs bloomed and blossomed, and year by year we in Congress are asked to underwrite the expenses of each new program. The programs blossom under a new guise every so often, but they do not die off.

My contention is that our major foreign-aid programs have outlived their usefulness. We assisted the war-devastated countries of Europe to an effective recovery, and as the specter of Communist confusion began to grow larger in Europe we asked our friends to join us in the North Atlantic Treaty Organization—NATO—to join us in the European Defense Community—EDC. The results show that we pay largely for the protection of Europe. We have underwritten the cost of NATO to a large extent.

I am forced to say that the efforts of our allies do not correspond with their capabilities. For example, France spend only 10 percent of her national income for national defense; Britain, 11

percent; the Netherlands, 7 percent; yet we have spent in the past up to approximately 25 percent of our national income at home and abroad for defense. Surely, if our friends in NATO and EDC believed in these organizations for their own protection as much as we do, then they would make sacrifices for it the same as we do. I am afraid that we have built a cardboard West wall whose steel framework is provided by the American divisions. A similar position is rapidly taking shape in the East wall in southern Asia, where the American Fleet, the American Air Force, and the American Army seems to form the backbone of defense against Communist infiltration.

The country that is giving the major amount of aid to foreign countries at the time enjoys the distinction of having the largest Federal debt, approximately \$280 billion. In 1953 this debt comprised 74 percent of our gross national product for that year. Compare this debt with the debts of countries that we are aiding, and check the relationship of their debt to their gross national product. They were as follows:

	Percent
Norway.....	53.3
Germany.....	32.0
France.....	37.5
Spain.....	26.0
Belgium.....	67.0
Turkey.....	22.0
Japan.....	12.0
Philippines.....	10.0
Brazil.....	7.0
Mexico.....	4.0

Most of these countries claimed that they could not finance their own economies. Britain has balanced its budget. My answer is that we should balance our budget, and give some relief to the long-suffering American taxpayers who have generously and willingly assisted these foreign countries and are now asking them to carry their burdens themselves since they are well able to do so.

Most Americans still seem to think of Europe as an impoverished, war-ravished country, forgetting that 10 years of steadily-increasing production have intervened since the end of World War II. Europe does not need any further aid. Western Europe's trade with the rest of the world in 1954 was 128 percent above that of 1948, and 69 percent above that of 1938. Imports from the outside world were 24 percent above that of 1948 and 11 percent above that of 1938. Exports were 83 percent above those of 1948. Western Europe's exports to the dollar area alone were 30 percent above 1948.

Consumption per capita in Western Europe reached the 1938 level by 1950, and by 1954 was 12 percent above pre-war. In 1954 the industrial output in Western Europe was 50 percent higher than in 1938 and agriculture production was 30 percent greater. In 1951 Western Europe planned for an annual increase of 4.5 percent in gross national product during each of the next 5 years. This figure was reached both in 1953 and in 1954.

With the vast amounts of money we have spent in Europe there does not seem to be an indication, specifically in France and Italy, that Communist influence has diminished. Both of these countries

still have large blocs of Communist voters and the tendency is for trade unions to be largely controlled by Communist sympathizers. In addition, socialistic tendencies have gone on apace.

It seems to me as if the Soviet leaders are sitting on the sidelines watching the United States spend its substance in Europe to build up the industrial potential of various weak nations, and then wait long enough until these nations will fall in their laps like ripe plums. The thinking of free Western Europe I believe can be defined as a socialistic neutralism versus the opposing Communist forces. On the other hand, we have shifted our attention to Asia, and it seems to me that we are falling into the very same trap. On the one side we have the Moscow-Peiping axis characterized by its attitude of uncompromising belligerence and on the other side we have the New Delhi-Bandung axis characterized by its attitude of neutralist obstructionism.

Lately we have heard much in both Houses of Congress concerning extension of the trade-agreement program. Many of us are concerned, however, with the ever-increasing competition being offered by overseas products, competing at far lower prices with our domestically produced goods. We built the European factories; we financed their productivity teams to copy our mass-production methods; and now we are saddled with the products made by cheap labor. We did this with industrial products in Europe and now we are on the verge of doing it for agricultural products from Asia. I question the wisdom of subsidizing our competitors to put our own producers out of business.

Much has been written about the dollar gap and the buying we have to do in foreign countries if we wish to sell to them. The onus of proof that a dollar gap can be solved has been placed upon the United States. Apparently we are to be the ones who have to give to settle payments difficulties. It has been said that these difficulties are a matter of trade. However, it seems that the fluctuations in the balance-of-payments picture for the European Continent facing the United States and Canada is a permanent one, and that foreign aid to make up the deficit is not the solution.

I draw your attention to the fact that we are very strict in this country on income-tax matters. For years we have been hearing of the tax reformations that were to occur in Italy and France. However, little is ever done. The rich get richer and the poor get poorer. We know full well that these people of means do not pay their just share, simply because these countries have failed to reform their tax laws and they do not enforce those they have on the books. Can we, in all honesty, ask our people to carry the burden of taxation as we have in this country, when other countries, who ask and practically demand aid from us, do not take similar steps of tax enforcement? I do not think that our United States taxpayers' money should be spent in Europe until foreign beneficiaries of our aid have similar

laws, penalties, and tax-collecting procedures as we have.

In the kindness of our hearts we have expended nearly \$50 billion net in Europe and elsewhere during the last 10 years. We did this to set them, as it were, on their feet again. With this money they have rehabilitated their farms; factories have been renovated; their ports have been modernized; transportation systems have been renewed; housing has been provided. All in all, the tangible benefits of that aid are to be seen. If we had spent similar amounts of money in our country, would we not see the benefits also? I see our own highway system in urgent need of expansion; I see a school system lagging far behind in the provision of new classrooms; I see slum areas of our modern cities, which should be razed and improved; I see vast irrigation programs not begun, and conservation programs not yet started. All in all, a great need is upon us and we do not have the money to provide for it. I do not begrudge the aid that Congress has given foreign countries, but I think the time has come when these countries should begin to help themselves. Today the Congress should look after balancing our own budget and give tax relief to American taxpayers.

Finally, let me say that since 1945, Congress has appropriated approximately \$400 per capita in gross foreign aid. It is the taxpayer in this country who has borne this burden. It seems to me that large amounts of aid could be given to foreign countries in the shape of lending through private enterprise, and where the recipients would be expected to repay the loans. Congress seems to have developed an extraordinary sensitivity to anything that happens abroad, yet does nothing about the depressed areas in our own country—the coal areas of Pennsylvania for an example. Should we undertake to settle their problems and their fears, and take little note that we have thousands of unemployed in the distressed coal areas of Pennsylvania and West Virginia? It is time for a further reappraisal and careful screening of the foreign spending program.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Chairman, I want to take this opportunity to congratulate the chairman of our subcommittee, the gentleman from Louisiana, on the way he has conducted the hearings on the mutual-security appropriation. He was courteous and patient. He was well informed on the subject matter. Considering the limited time the committee had to study this matter, he was very thorough. It was very helpful to me, a new member of the subcommittee, to serve on it with so many distinguished members who had long years of service on the Appropriations Committee. The chairman of the full committee was a member of the subcommittee, as was the former chairman of the full committee. At least five of the members were chairmen of other subcommittees. Indeed, it was informative and inspiring for me to

work with these distinguished colleagues.

I have always been a strong advocate of a foreign aid program, and when I was appointed a member of this subcommittee, I had the intention of doing all I could to defend the request for appropriation. But I had heard the testimony of the witnesses before the subcommittee for only a short while when I was disillusioned and shocked at the facts disclosed.

This project deals with foreign aid in 69 countries and covers 34 projects. The original request was for \$3.4 billion and there was \$8.7 billion carried over from previous appropriations. Yet, the justification and report of the Foreign Operations Administration was submitted to Congress so late that this subcommittee had only 2 or 3 weeks to consider this complicated subject. Generally, the Appropriations Committee does not begin hearings on an appropriation of this nature until the authorization bill is passed. But in this case we had started hearings long before the Foreign Affairs Committee had reported and Congress approved the foreign aid authorization bill.

It developed in the testimony that there were large sums appropriated by previous Congresses which were still unspent. The witnesses were extremely reluctant to give us the facts in regard to these sums. I felt it was like cross-examining a hostile witness or pulling eye teeth to ascertain these facts. The Administrator first told us he thought the sums unexpended and previously appropriated were approximately \$6½ billion. When the figures finally were presented to the subcommittee they showed the sum was \$8.7 billion. It was attempted to excuse this condition by stating that these funds were in the pipeline and were obligated and reserved.

I personally did not hear any testimony stating for what projects these funds were obligated and reserved. I also had great difficulty in determining just what was meant by "reserved." But I believe it is correct to say that a reservation of funds certainly did not involve a binding agreement to expend them. It might have been a statement to some foreign country or another branch of the Government that money would be spent for a certain purpose. I came to the conclusion that it need not be anything more than an interoffice memorandum.

But whatever the term "reserved" might mean, it developed there were large unexpended sums of money in the mutual security and military portion of the program which were neither obligated nor reserved. As of April 30, this sum was stated to be a billion and half dollars. We had great difficulty determining during the hearings just how much was still unobligated, unreserved, and unspent in June. The budget was drawn up on the theory there would be \$100 million of such funds on June 30. However, it developed at the time the witness appeared before the subcommittee that this sum was \$620 million. In answer to a question by one of my colleagues on the subcommittee, Mr. Hensel stated that the request for

\$1.4 billion for the military-aid program was based on the theory that \$100 million would be unexpended as of June 30, and that the appropriation for \$1,400,000,000 could be reduced by the difference between \$500 million and the amount unexpended, unreserved, and unobligated on that date. That sum was \$34 million on that date and we reduced that appropriation by less than the amount of the difference.

Word was sent to the committee after we had closed our hearings that \$312 million, in addition to the \$620 million of military-aid funds already mentioned had been discovered which was unspent, unobligated, and unreserved. This made a total of \$932 million of such funds that the Agency had on hand.

An agreement was then made with the committee by FOA that it would obligate or reserve this recently discovered sum of \$312 million, but that the sum of \$420 million would not be obligated and would revert to the Treasury. The remaining \$200 million would be carried over or reappropriate, as provided in the authorization bill.

In violation of that agreement, the FOA reserved \$612 million on the last day of the fiscal year. During the month of June, this agency reserved, spent, or obligated over \$1 billion, while its average rate of commitment of funds had been approximately \$207 million per month.

This appeared to be not only a violation of the agreement with the subcommittee, but a reckless disregard of the rights of the taxpayers, and a determination on the part of this agency to obligate these funds at all costs. Certainly, this much money could not have been obligated or reserved intelligently in 1 day. The sum of \$420 million which the agency had agreed would revert to the Treasury was deducted by the Committee from the Agency's request for foreign military-aid funds.

I have always been an advocate of the Tennessee Valley Authority. I live on the perimeter of the territory served by that Agency and have been privileged to observe its beneficial results. However, we have many people in this country who feel the TVA program is "creeping socialism" and it has recently been characterized as "galloping socialism." During our hearings, it developed that hydroelectric projects, or foreign TVA's, had been developed with American funds in France, Italy, Spain, Korea, India, and Formosa. These projects were operated by the Government in those areas. It was also disclosed that more TVA's are planned in the Nile and Jordan River Valleys, to be built with United Nations funds to which the United States has contributed.

On June 27, I addressed a letter to the Administrator, the Honorable Harold E. Stassen, asking that he give me the names of the countries in which hydroelectric projects had been built or planned to be built with American funds and whether they are being operated by the Government or by private utilities. Up to the time when he left office on June 30, I had not received an answer to my letter. I then addressed a letter to

the new Administrator on July 7, and on Friday, July 8, I was told that such facts were available up to a year ago, but they were not brought up to date and they were bringing them up to date for my benefit and I would receive them by today. I have not as yet received them.

However, I understand there are approximately 20 places where the United States is financing TVA's in foreign countries. As I have said before, I favor the TVA program, but I fail to see how people who denounce it as galloping or creeping socialism at home can favor these projects in foreign countries financed by American funds. If they feel TVA is so bad for America, why do they want to take American taxpayers' money to spread what they call creeping or galloping socialism all over the world?

We were continually told in the subcommittee hearings that the Marshall plan had been a great success in Europe and, therefore, the same remedy must be applied in Asia. This, to me, is like saying "Quinine cured malaria, therefore, we must give it to a man who has tuberculosis or cancer." The situation in Europe was entirely different from that in Asia.

After World War II, Europe was prostrate. Her industries and commerce were destroyed by the war; her currency was impaired either by inflation or other means. She did not have capital for rehabilitation. Through the Marshall plan, we supplied these funds and the result has been very satisfactory. So much so, that the economy has recovered to where production is 150 percent of what it was before World War II.

Only about \$70 million is appropriated for Europe for economic recovery in this bill, and that is practically all for Spain and Yugoslavia. However, that does not mean we are not spending funds for economic recovery in Europe. We are spending in those countries funds previously obligated, notwithstanding the splendid recovery Europe has made.

An entirely different situation was presented in Asia. The continent was not devastated by war in the same way Europe was. Her problems are age-old. They are poverty, overpopulation, exploitation, and social maladjustment. But one thing has happened in Asia, and that is, that the Asians have determined to throw off the yoke of colonialism. Somewhat the same situation prevails there as prevailed in America in 1776. The Communists have moved into the vacuum and are exploiting this feeling. It seems to me that America must give these people some alternative to colonialism and communism, if we are to be successful there on that continent.

I do not think building a grain elevator, a steamplant, or a TVA in India, or in any other Asiatic country, is the answer to the problem. I will support the technical-assistance program and development aid, not because I think it will help us militarily, but because it is the Christian and humanitarian thing to do. If we hope to make friends by a lavish expenditure of money, I am afraid that is a vain hope. Mercenary friends have never proved of much value to any-

one in an emergency. The point I am trying to make is that this is not a war-emergency program, but that the United States is endeavoring to act in accordance with its long tradition of being humanitarian.

When we assist in the health program in Asia, or in the agricultural program, we are performing exactly in the same manner as our health agency does when it does health work in our country, and as the Agriculture Department and the county agents do in this country. The same can be said for our work in commerce, industry, mining, manufacturing, education, and government. But in all cases when agencies operating such programs at home come before the Appropriations Committee they do not ask for blanket sums, but they give us a justification as to why they need the money and how it will be expended.

We are told by the Secretary of State and have been told by the former Administrator of the foreign-aid agency that there is no relief in sight for the American taxpayer for expenditures for economic aid in Asia, and for military expenditures. This program should be placed on a sound financial basis. It is not good government to have such large sums of unexpended funds. It causes recklessness in expenditures and causes Congress to lose control of the purse strings.

I think we must recognize the fact that this program is very unpopular in many places. I feel it is in the district I represent. Continually more opposition is aroused to this program in Congress. Our Government probably owes more money than is owed by all the countries we are helping combined. We are operating with the biggest peacetime deficit in the history of the United States.

They tell me that one of the programs we had under the technical-assistance programs was to teach foreign countries how to balance their budgets. Someone said we should have a reverse point 4 program and some of the foreign countries should teach America how to balance its budget.

The American people are taxed possibly higher than any other country in the world. It is rather shocking to see the small amount of taxes, especially on the wealthy, that are levied in some countries to which we grant aid. In short, if this agency does not show more consideration to the American taxpayer in handling foreign-aid money and be a little more cooperative with the Congress, it might find that Congress will not approve this program.

We were told by the Defense Department official in charge of the foreign military-aid program that if Congress granted no additional appropriations to it, the program could still operate for 3 years. That is not a healthy situation.

As one who is interested in the foreign-aid program, I hope that this agency's shortcomings will be thoroughly explained and corrected. I certainly hope this agency will present its estimate to Congress at a much earlier date, and that, when it does so, it will justify its expenditures—and not merely make a

hysterical appeal that there is an emergency and that America must be strong.

I hope that they will give Congress a full accounting of the unobligated funds, and that they will bring their expenditures up to date. We expect other agencies to do that. We want the foreign-aid program's finances put in better order.

Your committee with this bill has made a start in that direction. I hope that the bill will be approved substantially as written by the Appropriations Committee.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. DENTON. I yield.

Mr. ROONEY. I should like to point out with regard to the gentleman's reference to the \$100 million unobligated balance answer of Mr. Hensel that that answer was given on May 10, 1955, in reply to an inquiry by a Member of the other body, either Senator SMITH of Maine or Senator SMITH of New Jersey, and is definitely a matter of record. On June 17, 1955, Mr. Hensel and his staff came before our committee and it was established that the figure was not \$100 million as he had informed the other body but \$620 million. He gave the following testimony before the Committee on Foreign Relations, United States Senate, on May 10:

Senator SMITH. I hope we are privileged to reflect to our colleagues on the floor that you have helped on the so-called unexpended balances. Your statement that you read this morning states that:

"All but \$100 million should, in our opinion, be obligated, as that term is now statutorily defined, by June 30, 1955, assuming all required program approvals and allocations."

Mr. HENSEL. Yes, sir.

Senator SMITH. That means the whole story this year of unexpended balances is answered.

Mr. HENSEL. Well, they will still be unexpended, and I want to make clear to you that I retain a certain amount of flexibility in being able to divert items covered to other countries.

Senator SMITH. But they will be definitely obligated?

Mr. HENSEL. Yes, sir.

Senator SMITH. And our colleagues could not say that you have too much available.

Mr. HENSEL. That is right.

Senator SMITH. That is the problem in the Appropriations Committee, of course, but it looks to me as though this meets it.

On June 17 he testified as follows before our committee:

Mr. PASSMAN. Mr. Hensel, I may ask this question: Under "military assistance," page 40 of the Senate Foreign Relations Committee, the report indicates that all but \$100 million would be obligated by June 30.

Mr. HENSEL. Yes.

Mr. PASSMAN. The actual figures presented to this committee reflect that the unobligated and unreserved balances will be \$620 million as of June 30. That is on page 30, section 1.

Mr. HENSEL. Yes.

Mr. DENTON. Then, after we closed our hearings it seems they found \$312 million they did not know anything about or else they had not told us about; and that added to the \$620 million makes \$932 million.

Then there was their agreement that they would obligate \$312 million; \$420 million would revert to the Treasury;

and \$200 million would be carried over. In violation of that agreement they obligated \$612 million on the last day of the fiscal year, and they obligated and reserved over a billion in the last month. It looks to me as though that is playing fast and loose not only with the Members of Congress but with the money of the taxpayers.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from New York.

Mr. ROONEY. With regard to this "creeping socialism" business mentioned by the distinguished gentleman from Indiana, had not the gentleman been under the impression that beginning on the 20th of January 1953, when the Republican administration came into power, we were not going to have any more creeping or galloping socialism?

Mr. DENTON. According to some people's definition it must be galloping all over the world I can assure the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman will agree there is this difference: In the United States it is possible to get private capital to construct these projects whereas in most of these countries there simply is not the private capital?

Mr. DENTON. I am glad the gentleman asked that question. If you would provide Dixon-Yates contracts over there, as has been done in this country, you would not have any trouble finding private utilities all over the world making the investment.

Mr. JUDD. Private capital is not willing to go into these countries and make the investment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Indiana could tell the gentleman from Minnesota an experience of a constituent of his in the matter of providing investment in a foreign country, could he not?

Mr. DENTON. Perhaps so.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Kentucky.

Mr. CHELF. May I say that I agree with the gentleman 100 percent.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. HAND].

(Mr. HAND asked and was given permission to revise and extend his remarks.)

Mr. HAND. Mr. Chairman, it is well known in the House that I have opposed the foreign-aid program by any of its various names over the years. My opposition commenced as early as the British loan and continued through the so-called Marshall plan down to date.

However, I do not believe that it is the function of the Appropriations Committee to veto policies already agreed upon by the Congress. Rather, it is our duty to study with care the moneys involved without reference to our belief

in or opposition to the policy established by law.

Although I can say that from my personal viewpoint most of the money involved in this bill should not be spent, I am by and large reasonably satisfied that the committee did the best job it could within the limitations of time on a program whose best friends will admit is both expensive and wasteful.

However, we have reduced the budget requests by some \$628 million, most of which is concentrated in a cut of \$420 million from unobligated funds, which has already been fully explained by the gentleman from Louisiana [Mr. PASSMAN] and another cut of \$100 million in the President's discretionary fund for Asia, which in my judgment was fully justified.

In cutting the Asian fund three things must be kept in mind:

First. That the \$100 million allowed by the committee is as much as anybody thinks will be spent in the coming fiscal year;

Second. That in addition to this blank check appropriation, the President has a worldwide discretionary fund of \$100 million, which can be used here as well as elsewhere; and

Third. That the President can transfer funds from one operation to another up to 10 percent, and 10 percent of this bill spells a lot of money.

Therefore, Mr. Chairman, it appears that both of these major cuts are fully justified and should be sustained by the House.

To indicate my general satisfaction with our work is not, of course, to say that I am entirely happy with everything that has been done. For example, we are appropriating a large sum for military assistance to our former enemy, Japan, and I am by no means sure that Japan has the right under its own constitution or our treaty with it to establish a military machine. In the case of the Federal Republic of Germany, we are making available in this bill a great many millions of dollars to help reestablish the army and air force of another former enemy, and everybody knows that as of today the German Parliament has not yet passed a bill authorizing such a military establishment. Indeed, the only bill under present consideration, as I understand it, is a bill permitting the voluntary recruitment of 6,000 commissioned officers, and whether and upon what terms the German Government will authorize a complete military establishment is something in the future, and therefore should be appropriated in the future.

I am frank to say that I am not happy with the appropriation for the Communist country of Yugoslavia because I am far from confident that our jet planes given them will be used for the security of the United States in the event of trouble.

I am persuaded that the scores of millions that we are pouring into the Indochina area, plus \$180 million worth of our equipment left there after the Indochina War, will prove in the long run to be a waste of money.

With complete recognition that Great Britain's Royal Air Force is a great im-

portance and great dependability, I am not persuaded that we must modernize it with United States dollars. England is producing better than 150 percent of its prewar record and has moderately reduced its taxes. It is closer to a balanced budget and has far less relative debt than we. England is just as much interested in world stability and world peace as we are, and I believe just as able to help herself as we are to help her.

However, Mr. Chairman, there is not the present opportunity to discuss all these details and I congratulate my colleagues on the cuts they did make rather than criticize them on the cuts they did not make.

Mr. Chairman, I desire to emphasize two very important points which are referred to in the report of our committee: One point is contained in the opening paragraph of the report, which reads as follows:

One of the problems which faces this committee in its consideration of estimates of appropriations for the Mutual Security program each year is the timing of the Budget estimate. The Congress and the committee for the past several years have been handicapped in their attempt to give full consideration to the large and varied items of expense encompassed by the Mutual Security program because of the delay in submission by the administration of both the authorizing and appropriating legislation.

That is a masterpiece of understatement. It is a serious reflection on the legislative process to take a detailed and complicated bill involving billions of dollars and attempt to give it adequate consideration in the closing days of the congressional session. If we had this bill a month earlier than we did, we could have saved millions a day for every extra day of hearings afforded.

The second point I wish to emphasize is the committee's reference to the fantastic obligating, deobligating and reobligating funds. The House managers in their conference report referred to this as the "gyrations" in the estimates of unobligated balances. The House managers also said:

The conferees were shocked at the wholesale reservations reported to have been made in the Defense Department during the last few days of the fiscal year, in order to save their appropriations from losses under section 1311. The loss of \$275 million through failure to obligate or reserve during this rush period is now being called a saving by the agencies.

Our committee had various estimates of unobligated balances in the last few days of our hearings ranging from \$100 million to \$900 million. This is not a very close guess. In this Department "obligations" is a very flexible term. The truth is that there is more money unobligated in this program than can be spent in the next couple of years and enough moneys actually unobligated to keep it going very comfortably.

UNITED NATIONS CONTRIBUTIONS

However, Mr. Chairman, I now desire to address myself to a different phase of the program, and that is United States contributions to the United Nations programs covered in this bill. I have heretofore frankly admitted my opposition to the foreign aid program; however, I have

just as consistently supported our contributions to the international activities carried on by the United Nations. This is perfectly logical, Mr. Chairman, because what I object to is our established habit of picking up the whole check. I do not object to our participation in world affairs and doing our fair share, even though the activities of the United Nations are frequently disappointing.

The amendment which I propose to offer will seek to limit the contributions by the United States to one-third of the total world bill rather than the 50, 60 or 70 percent we are now paying. This would apply primarily to United Nations technical assistance program in which we now pay more than 60 percent, the so-called Work and Relief Agency, which is for the Arabs displaced from Palestine, in which we pay some 65 percent, and to the children's fund in which we pay more than 60 percent. I have no doubt but that the children's fund does good work and work which appeals strongly to us all from a humanitarian standpoint. However, when I observe that the United States pays some 61.6 of the total cost as contrasted for example to prosperous Belgium's share of 0.74, the Netherlands 0.29, France 3.64, and even the United Kingdom's 4.12, I am persuaded as usual we are being taken for a ride. Those of you who, like myself, wholeheartedly support the thought that the United States should do its full share in world affairs certainly should not object to fixing that reasonable share at not to exceed one-third.

Our negotiators have given no consideration to any factor except our gross national product as related to the gross national product of other nations, and this is based on inadequate figures. Strangely enough they have given no thought to the relative tax burdens borne by the United States citizen, and no thought to our strangling national debt which is far larger than that of any other country in the world.

All I shall seek to do by this amendment is not to curtail or to in any way cripple the United Nations program but merely to restrain by some rule of reason our share to a fair and reasonable percentage, and I sincerely hope that when the amendment is offered, it will receive the support of the House.

The Members will recall the persistent effort along these lines of the gentleman from Mississippi [Mr. WILLIAMS]. I am trying to put those efforts into effect with respect to this particular bill.

In closing, Mr. Chairman, allow me to make a reference to the perceptive and intelligent work done over a period of years by the gentleman from Wisconsin [Mr. SMITH]. As you know, he has been quite ill, and it was a thrill to see him a few days ago, not yet fully recovered and risking his health in a further effort to throw light in some of the dark corners of this whole foreign aid program.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HAND. I am glad to yield to the gentleman from Illinois.

Mr. MASON. I want to say this, that our national debt is not only greater than that of any other nation in the world,

but it is greater than those of all the other nations of the world put together.

Mr. HAND. I am sure that is an accurate statement and is something we ought to pause to realize.

Mr. PASSMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. PASSMAN. Mr. Chairman, I move the Committee do now rise, and on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PASSMAN and Mr. GROSS.

The Committee divided; and the tellers reported that there were—ayes 1, noes 83.

So the motion was rejected.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eight Members are present, a quorum.

The gentleman from Mississippi [Mr. WHITTEN] is recognized.

Mr. WHITTEN. Mr. Chairman, I am sorry we did not get a rollcall for I believe I have facts which would interest all Members. I have the highest regard for the chairman of this subcommittee both as a man and as a Member of Congress. He has my sympathy in the job he has of steering this bill through the House. However, I truly believe the further expansion of funds for foreign aid, with a present carryover of six to eight billion dollars, by \$2,700,000,000 will ruin us.

May I say the best arguments for the amendment I shall offer later have been made by the subcommittee itself.

If ever there has been evidence of the fallacious policy which we, in the Congress, follow, it has been given by my friends in presenting this bill to you. Where formerly we used to give authority to contract obligations and then we paid those obligations as they fell due, for the last several years, this committee and others have been appropriating the full amount that the contract might call for. In other words, to make certain that they would spend what we were afraid they might spend, we have been giving them the full amount of money to start with. As a result, in this activity alone, according to one set of figures there is about \$6 billion of carryover funds, and according to another set of figures, there is about \$8 billion, and according to still another set of figures, part of it is just reserve funds and another part is committed and another part is obligated. Be that as it may, the foreign-aid officials can juggle it around all over again and the foreign-aid group has not given the Congress any firm report on its obligations, as it is required to do by law today. We have not had that. My amendment is very simple. If we will follow up the course I suggest, we can see how much money they have actually spent each year—and they have actually spent far less each of the past few years

than the \$8 billion that they carry over. You have heard every advocate of the \$2,700,000,000 in this bill say that in the last days they reserved hundreds of millions of dollars and obligated so many hundreds of millions of dollars and you know what is involved in it—they simply tied enough strings on it so that they can ask and are asking this Congress for new money to the tune of \$2,700,000,000. My amendment is simply this—that this Congress carry out the request of the President in his message, and that this Congress carry out the recent authorization bill—by doing what? By reappropriating from the carryover of the funds an amount equal to what is in this bill. Then you will begin to bring about a correction in this policy which is about to wreck this country. The policy that I have been talking about, is also running us into trouble with military appropriations for we follow the same shortsighted policy there.

Our Appropriations Committee has been conducting investigations since the first of the year. Such report is in the supplemental appropriation hearings released today. This investigator's report shows what we have done to the American farmer, laborer and middlemen through the foreign aid program in the field of agriculture. Through foreign aid we have spent about \$23 billion on increasing foreign agriculture. Why, we have made grants through the Export-Import Bank and we have made loans through the International Bank to develop lands in foreign countries. Listen to this, my colleagues, because this is almost impossible to believe, but if you read this investigator's report you will see we have used our money to put foreign lands into production. Then, under our tax laws, we have given tax concessions to American business interests to go into these foreign countries and develop them. Then under the technical assistance program, we have gone into those countries and taught them how to produce those very things that we are troubled with in this Nation. Then, as a matter of domestic policy, we have held our wheat, corn and cotton off the world markets at truly competitive prices so that American business interests in these foreign countries could have those markets. As we have held those commodities off the world market, we have counted them, and the Department of Agriculture has reduced the farm income drastically, following the law, by counting those commodities to reduce acreage. As a result, according to a survey by the Department of Agriculture, with respect to cotton alone this year, an order of the Government put 55,000 farm families out of work in the United States. They reduced 130,000 small cotton farmers below \$1,000 a year annual income. What else? The present situation is so serious that our President has sent down a message to help the small farmers. And then we had Public Law 480 to give away the very commodities we took off the market by setting other folks up in business.

I spent the morning with United States Department of Agriculture officials including the new sales manager for the

Commodity Credit Corporation, a position my subcommittee insisted on creating, trying to help work out some basis on which the \$4 billion the United States has held off world markets, will be moved back in. As we do that we are bound to meet the competition we ourselves have set up by this foreign aid program.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY].

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. BENTLEY. Mr. Chairman, I would like to call the attention of the members of the committee to a thing that is contained in this figure of \$705 million, on line 6, page 2; that is, an amount of approximately \$100 million that you might say honestly and effectively is being used for the purpose of subsidizing the British aircraft industry.

Last year we had that amount spelled out as about \$75 million in the authorization bill. The House took care of that by eliminating that on the floor, but it was restored in the other body and maintained in the conference.

A few weeks ago, when we had the authorization bill before us, I introduced an amendment to take care of that \$100 million figure, in which is included the figure for subsidizing the British aircraft industry. The amendment was not permitted to be introduced, through a point of order.

I would like to read briefly a few remarks from a report filed by the staff of the Overseas Economic Operation Task Force of the Hoover Commission entitled "Present Status of the British Aircraft Program," dated January 11.

Mr. Van Rensselaer, staff director, Overseas Economic Operations Task Force, says:

There are presently available approximately \$200 million of appropriated but not yet finally committed fiscal year 1954 and fiscal year 1955 funds which have been conditionally committed or earmarked for the purchase or financing of the Javelin and Swift fighters, the Canberra light bomber and one or more of the medium bombers.

With respect to the Javelin fighter, which under the guise of offshore construction I understand we are financing, I have before me a clipping dated about a week ago, July 3, 1955, from the London Sunday Express from which I would like to read a paragraph:

Another crisis is looming over Britain's air defense. This revolutionary Javelin delta-wing fighter, on which rested one of the RAF's chief hopes of repelling an atom-bomber attack, is displaying serious defects, and in its present form could never be put into front-line service.

So much for the present status of some of the planes for which we are being asked to appropriate money this afternoon.

I would like to call attention to a report made by the investigational division of the Committee on Appropriations of the other body approximately a year ago. In its conclusions and recommendations in this particular report, which is entitled "United States Aid to British Aircraft Program," I would like to read the following:

Foreign aid is being used to build up and fortify the productive facilities of other countries to the detriment of United States strategic industries. Specifically, United States taxpayers' money is being used to support, directly or indirectly, the British aircraft industry which is heavily subsidized by the British Government.

Point 4:

The effect of the grants-in-aid to the Royal Air Force was to release British budgetary funds for the continued subsidization of the commercial jet development program.

Following the many recommendations of the Committee on Appropriations investigating division it says:

If high policy decrees that United States grant aid should be continued in support of the British military air budget, it would be desirable to explore with the appropriate technicians and policymakers the possibilities of supplying the British Government with the airframes of our latest types of fighters in which British-make engines could be readily installed. This formula, if feasible, would appear to be preferable to the present program for the following reasons: (1) The combination of United States airframes and British engines should result in truly supersonic fighters far superior to the Javelin, Hawker, Hunter, and Swift. (2) United States grant aid would not be used to build up production lines in the United Kingdom to turn out planes that are not comparable to the suggested United States-British combination versions. (3) United States taxpayers' money would be used to strengthen our own aircraft industry and make jobs for American workers instead of contributing to the British program for civil jet expansion.

If it is the will of the committee to continue putting \$100 million into British aircraft industry for the purpose of allowing their aircraft industry to be subsidized so that the British can come over here and conclude contracts with some of our commercial airline companies for the use of commercial jet transportation instead of buying American transports, that is perfectly all right. But I feel certain that the committee would want to know what it is doing with this amount which is, incidentally, a classified amount, but which is contained in the \$705 million.

Mr. PASSMAN. Mr. Chairman, I yield the balance of my time to the gentleman from Virginia [Mr. GARY].

(Mr. GARY asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, I imagine everyone in this chamber is fully aware of my previous connections with this program. I have had the privilege of being identified with it since it was first inaugurated.

At the outset let me pay my respects to our very able chairman of this subcommittee. It has been said that he is in a tough spot, having opposed the program on previous occasions. I am certain, however, every member of this committee will agree that no one could be fairer than the gentleman from Louisiana has been in handling this program. He has delved in every phase of the program and he has attempted to find what funds are available for next year and to see that the funds necessary are ap-

propriated, and no more. He has done an excellent job.

I want to say to you that I personally feel this is a fair bill. I have advocated this program on the floor of the House for many years.

I was in Europe at the time the gentleman from Massachusetts [Mr. WIGGLESWORTH] was, in 1947. I remember the condition that prevailed there at that time: Practically all of Europe was in ruins, homes had been destroyed, cities devastated, fields laid waste, and there was no hope in the land. They said very freely at that time that if Europe was to be saved it could be saved only with the assistance of the United States of America. I am glad to say that the United States went to the assistance of that stricken land.

I was back in Europe with the Richards committee in 1951. Conditions were much improved, but I remember at that time that there were clamors in the United States for the reduction of this program, and we went over to talk to then General Eisenhower, the Supreme Commander of the Allied Forces in Europe. I remember very distinctly as General Eisenhower spoke to our committee one member asked: "General, in your judgment, what would have been the effect had the United States not embarked on this aid program?"

Without hesitation General Eisenhower said:

In my judgment, with the possible exception of Spain, I do not believe there would be a single free country in Europe today. Every country in Europe would be behind the Iron Curtain.

It will be recalled that General Gruenther succeeded General Eisenhower in that important command. Just a few days ago as General Gruenther appeared before our subcommittee I recalled to him General Eisenhower's statement and I asked him if he concurred in it. He said he thought there was no question about it. The foreign-aid program of the United States unquestionably saved Europe.

I recall further, however, that in 1952 as we talked to General Eisenhower one of the members of the committee suggested to him that the people of the United States were getting rather weary of unbalanced budgets and large expenditures; consequently they asked him when in his judgment we could begin to reduce this program. He was vigorously urging us at the time to continue it, and not to cut the amount President Truman had requested. "This is the crucial period," he said, "whatever you do, do not cut this program at the present time."

So we asked him when he thought we would be able to cut it. He said, "That is problematical, but I would say that certainly by the end of 1954 we will have reached a point when we can begin to cut it down."

Mr. Chairman, 1954 has passed. We are now appropriating for 1956. Very frankly, I think the time has come when we should cut this program, which is exactly what our committee has recommended.

The committee has not tried to cripple the program. What it has done is to try

to begin to taper off the expenditures which must be gradually reduced and finally eliminated.

We have cut this program \$620 million. I am not going into the items that make up those various cuts and I am not going into a discussion as to the unobligated and reserve balances here, although I think there is this distinction, may I say for the benefit of the gentleman from Indiana who asked the question a few moments ago. He asked, "What is the difference between the reservations and unobligated balances?"

The facts are that this whole program is fluid. It has been fluid from the beginning. Congress purposely made it fluid. It is customary for this body on programs of this kind to authorize the United States to participate in them, and then, thereafter, you do not have to have continuing authorizing legislation, but in order that we might review this program each year and make such changes in it as the facts might justify we have only authorized it for 1 year at a time. There has never been an authorization program for more than 1 year. That in itself makes the program fluid because the Congress can change it at any time when the authorization or the appropriation bill is before this body.

Mr. Chairman, in order to work out a program, however, it is necessary to map out a long-range program, extending beyond a year. For example, suppose the military authorities determine that a jet air force is needed in Indochina.

It takes a long time to get a jet air force into operation. In the first place, you have to get the agreement of the government with which you are dealing. Now, we obviously cannot make an agreement with that government unless we know that the funds are going to be available. Therefore, they come before the Congress and include in their appropriation an estimated amount for this jet air force which the military has determined is essential. Then we begin to enter into negotiations with the country for that air force. Then arise questions of the training of necessary pilots and various other matters before we can even get to the point of entering into contracts for the planes. That money is actually committed when we enter into an agreement with that country. We are committed to spend whatever amount is necessary to build that air force. Then we go ahead with the planes. The money is not considered actually obligated until the planes themselves are delivered. It is reserved when orders are placed with the military authorities.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Indiana.

Mr. ADAIR. I would just like to express my gratitude to the gentleman for that explanation, which is very helpful.

Mr. GARY. Thank you, sir.

Frankly, reserve funds, we must admit, are not firm commitments. They are commitments, but this program is subject to change at any time. The agreements are not like the laws of the Medes and Persians that cannot be

changed. They can be changed, and if, for some reason, later on it is decided that this venture is improper, the entire funds can be deobligated and the funds are there to be obligated for some other purpose, and that is the difference.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not a fact that when contracts are signed, the funds are obligated rather than before they are delivered? For instance, once things are delivered under contract, how can they be deobligated at that time?

Mr. GARY. Insofar as direct contracts made by the FOA are concerned, the funds are obligated when the contracts are made, but with respect to the common items ordered through the Army, Navy, and Air Force, I understand they do not consider the funds obligated until the items are delivered.

Mr. JUDD. I do not see how they could be deobligated after they are delivered.

Mr. GARY. The reason they are not firm obligations is because the military has been operating under the policy of letting contracts for large numbers of planes. Now, when we were in the war in Korea, when those planes were delivered, they may have been ordered for Europe, for part of the NATO forces, but if we needed them for Korea when they were completed, instead of sending them to NATO, we gave priority to our own military needs, and those planes ordered for Europe were sent over to Korea instead of being sent to Europe, and to that extent they would be deobligated.

Mr. ADAIR. Mr. Chairman, if the gentleman will yield further, is it the gentleman's opinion, then, considering the 25-percent limitation that applies to the last 2 months of a fiscal year, that in connection with the terms "reserve" and "obligated" those funds should be lumped together when we are considering that 25 percent?

Mr. GARY. Yes, I think so. That unquestionably was, in my judgment, the intention of the committee.

Mr. ADAIR. Then, the gentleman would feel that to reserve this great amount in the last days of the fiscal year was not a very proper thing to do?

Mr. GARY. I unquestionably say so.

Mr. ADAIR. I thank the gentleman.

Mr. GARY. The point I am making is this: No one had ever heard of reservations until this year. Heretofore they had all been considered obligations. Reservations are a result of section 110 of Public Law 778.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I am glad to yield to the gentleman from Ohio.

Mr. VORYS. I am afraid I need a little more enlightenment. I understood that the term "reservation" under the statute referred to common use items that were procured by the three departments and were then purchased, as it were, for Mutual Security purposes; that the term could not be applied to what they called direct citation items where there were actual contract obligations. The gentleman's definition of "reserva-

tion" does not bear out my understanding. Am I then in error?

Mr. GARY. I would not say so. Frankly I will say to the gentleman I do not know exactly what the military considers reservations. I think the term covers a multitude of sins. But I was trying to point out the difference that had been made between obligations and reservations, that they did not call them obligations, as I understand, in dealing with these commitments that they made within the last 60 days. And they had a ruling that they could use reserve funds or reservations.

Mr. VORYS. I understood that a reservation could only be made for an item that was to be acquired from 1 of the 3 services, Army, Navy, or Air Force; that the reservation could only be made at a time that delivery was about to be made. That was the statutory definition and that was the definition in the regulations. Am I correct in that?

Mr. GARY. I think that is correct; yes, sir. I think that is absolutely correct. But I think a different meaning was given to it by the administration.

Mr. JUDD. Mr. Chairman, will the gentleman yield further?

Mr. GARY. I yield.

Mr. JUDD. I cannot believe that the definition of obligation that the gentleman is giving is quite correct because, for example, we have some \$8 billion of carryover which is all obligated. Why is it carryover? Because the material has not yet been delivered. If it were obligated only when it was delivered, then there would not be this \$8 billion of carryover.

Mr. GARY. Under that definition there would not be; that is correct.

Mr. TABER. Mr. Chairman, I yield the balance of our time to the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his remarks and to speak out of order.)

Mr. VURSELL. Mr. Chairman, I assume that shortly the Harris bill, which would exempt natural-gas producers from Federal regulations, will come before the House for debate. I want to go into the details of this important bill, the events leading up to it, and my reasons for stating that our national welfare and our national defense are threatened unless we pass it. An awful lot of verbal wind and noise, some honest misunderstanding and some deliberate misrepresentations surround this bill.

On June 21, 1938, the Congress passed the Natural Gas Act giving the Federal Power Commission certain basic jurisdiction in connection with the transportation of natural gas. This is a rather long bill, and I shall not quote its full text but I should like to read the exact language of section 1 (b):

SECTION 1 OF THE GAS ACT

"The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of

natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

Mr. Chairman, I want to underscore these last lines of the act's language for the purpose of emphasis. Natural-gas producers assumed from this language that the Federal Power Commission had no jurisdiction over the price of gas at the wellhead. The Federal Power Commission took the same position. For 16 years—until 1954—this was the law of the land.

Last year, the United States Supreme Court, by a vote of 5 to 3, upset the Natural Gas Act of 1938. The Court ordered the Federal Power Commission to fix the price of gas at the wellhead. It held that that was the intent of the Congress in passing the Natural Gas Act, although to me, and many others who have studied this problem, the language of the act, which I have just quoted, seems unmistakably clear and can be interpreted as meaning only one thing—the Federal Power Commission has no authority to meddle into the price of gas at the wellhead.

The Court's decision is now the law, and we must abide by it despite the fact that it has thrown the gas industry into an uproar, with economic consequences that are affecting and will continue to affect the Nation as a whole.

Mr. Chairman, there is only one remedy and that is passage of the Harris bill. That is the only answer to last year's Supreme Court decision.

In a frenzied propaganda drive, led by Mayor Clark, of Philadelphia, many intelligent and well-intentioned men and women now believe that passage of the Harris bill will boost the price of natural gas. Actually, just the opposite is true. Mayor Clark, an astute and headline-hungry politician, appears to be more interested in creating a political issue designed to be locally helpful to him than he is in the consumers in the Philadelphia area.

An economy of scarcity cuts down production and thus raises prices. Continued Federal control of natural gas prices at the wellhead leads inevitably to an economy of scarcity. For 16 years prior to last year's Supreme Court decision, the natural-gas industry flourished. It was growing by leaps and bounds. Only 35 years ago natural gas supplied less than 4 percent of the energy used in the United States. It now supplies almost 25 percent, serving 27 million customers in our homes and in our industries. In the past 16 years the price of natural gas for home cooking has dropped by almost 7 percent, while the cost of living has almost doubled.

Mr. Chairman, it should be pointed out here that the natural-gas producer receives less than 10 percent of the total consumer cost of gas, despite the fact that he is called on to take enormous financial risks. On the average he drills 8 dry holes before he hits 1 that brings forth gas and oil. These gas wells cost on an average of \$100,000 each, and some go even higher.

The risks involved in this business are increasing every day. Drilling costs are

getting higher, and even when he does find gas the producer must compete on a price level with a pipeline company. On an equity basis alone you would imagine that the producer would get a price for his gas based on his production costs, plus his losses. Such is not the case. He takes the market price or he takes nothing, and the market price is arrived at by spirited competition and negotiation between the producers and the pipeline companies.

The natural-gas industry is divided into three parts: the production and gathering of gas; its interstate transmission by pipelines; and, finally, its distribution by local utility companies. Even before the Supreme Court handed down its decision last year two important segments of the gas industry were already strictly regulated. The Federal Power Commission controlled the pipeline companies, and State and city public-utility commissions regulated the local distributor. Ninety percent of the consumer's gas prices, therefore, were under careful control and regulation at all times since passage of the Natural Gas Act in 1938. Less than 10 percent of the consumer's gas bill—the share received by the gas producer—was not regulated.

ANNUAL GAS BILL TO CONSUMERS

The average gas bill for residential consumers in this country is \$70.19 a year. Of this amount, the producer receives only \$5.85, less than 50 cents a month—or about 1½ cents a day—less than the cost of a postage stamp.

The other \$64.34 a year the consumer pays is the freight for its transmission through the expensive pipelines, costing millions of dollars, which carry it to the users, and the added cost of distribution after it reaches the city through the various gas utilities to the burner tips. It is ridiculous to talk about keeping controls on the little amount the producer gets who makes the gas available. The producers do not own the pipelines.

So, all of the noise about gouging the public—and runaway prices of gas—and all of the inflammatory statements on this issue—all of them misleading statements involve less than 1½ cents a day, which goes into what the professional bleeding hearts call "the grasping hands of the selfish interests," many of whom have gambled millions of dollars looking for gas and oil.

If we kill the spirit of adventure—which is so typically American—the desire to get ahead—as we are doing by the Federal control of natural gas prices at the wellhead, we are endangering our economy and our national defense. Oil and gas played a major part in our victory in World War II.

We cannot afford to discourage venture capital—the kind of money required for locating, drilling and producing gas and oil. It takes men of vision and courage to get into this business, and we would be making a serious mistake by making the production of gas a public utility, subject to the bureaucratic red tape and restrictions of Washington. There is already evidence available to show that unless we rectify and change, by law, the Supreme Court's decision that there will be a sharp downward

trend in the production of gas. You cannot expect wildcatting—which is so necessary in the gas and oil business unless there is a fair promise of a reasonable return on investment and labor. This is a truism that applies to prospecting for all other natural mineral resources.

PRICE HAS DROPPED TO THE CONSUMER

Mr. Chairman, as I have already pointed out, the price of gas to the consumer has dropped by almost 7 percent in the past 16 years. He was protected by the law of supply and demand and by almost brutal competition. The Harris bill goes even further—it has a built-in protection for the consumer. Let me read you that section of the bill:

SECTION 5 PROTECTS CONSUMER

When an increase in any rate or charge for natural gas is filed with the Commission by a natural-gas company, and is based in whole or in part upon any contract, executed or renegotiated after the date this subsection takes effect, for the purchase of natural gas from a person other than an affiliate, the Commission shall determine, unless there has been a prior determination under subsection (c) of this section, whether the price at which the natural-gas company has contracted to buy such natural gas is the reasonable market price thereof at the point at which the gas is delivered into the transportation facilities of the natural-gas company in or within the vicinity of the field, or fields, where produced. After such determination, the natural-gas company shall be allowed to charge as an operating expense for natural gas purchased under the contract only such part of the contract price as does not exceed such reasonable market price. In determining the reasonable market price of natural gas under the provisions of this section 5, the Commission shall consider, among other things, whether such price has been competitively arrived at, the effect of the contract upon the assurance of supply, and the reasonableness of the provisions of the contract as they relate to existing or future prices.

Mr. Chairman, that one paragraph of the Harris bill should be enough to refute public statements made by some so-called liberals, who are not members of this body, that passage of this bill will boost the price of gas by \$600 million a year. That is utter nonsense, and those who are making the charges should know it. They are making an emotional appeal to the consumers—the great masses of people in this country—who obviously do not have the time to study such matters as the Harris bill.

PRESIDENT EISENHOWER'S COMMITTEE

Realizing the importance of oil, gas, coal, and other minerals to the defense of our Nation and to its industrial strength, President Eisenhower, in July of last year, appointed a Cabinet-level committee to make a careful study and analysis of these minerals, and other resources, known as the President's Advisory Committee on Energy Supplies and Resources Policy, better known as the Cabinet committee.

Now, this Committee had various task forces studying this problem for many months, and they strongly endorse the principle behind the Harris bill on the grounds of national defense. This so-called Cabinet committee was headed up by Dr. Arthur S. Flemming, Director of the Office of Defense Mobilization. The

Committee retained the services of some of the most outstanding scientists, economists, and industrialists and some of the ablest leaders in the gas and petroleum field, to make this important study.

On February 26 of this year, the Cabinet committee issued a report, in part, stating:

The Federal Government should not control the production, gathering, processing, or sale of natural gas prior to its entry into an interstate transmission line.

Their reasoning behind this statement was sound. They discovered that men with money and the know-how simply will not risk it, if they have hanging over them the threat of Government control of gas prices in the field.

Mr. Chairman, it would seem to me, and I believe you will agree with me, that when this comprehensive study was made under the direction of the members of the Cabinet assisted by task forces selected for their experience and ability in these fields, that the recommendation of this Committee ought to be accepted by the Members of this Congress, as a factual verdict, clear of any influence or prejudice, and should cause the Members of this House to feel, as the Cabinet-level committee recommended, that in the interest of national defense and the building up of the industrial strength of our country, we should take their advice, along with our own good judgment, and remove these controls that are stifling, and will continue to stifle, the gas industry of the Nation.

FEDERAL POWER COMMISSION

It is most unusual to find an executive agency asking the Congress to take away some of its powers. On the contrary, as we in the House know, most agencies constantly seek more power, personnel and money. But, what do we find at the Federal Power Commission? We find that the Federal Power Commission does not want authority to control the price of gas in the fields.

In a letter dated March 21, 1955, Jerome Kuykendall, Chairman of the Federal Power Commission, told Chairman PRIEST, of the House Interstate and Foreign Commerce Committee, why the Harris bill should be passed. This is a very long letter. I think I should quote here some of its more important excerpts:

We support this proposed legislation because we firmly believe that such legislation will, in the long run, result in the greatest good to the largest number of people of this country.

We are firmly convinced, from every aspect of public interest, and particularly that of national defense, that Congress should not single out natural gas as the only one among those fuels over which an artificial ceiling should be placed.

The authorities I have just quoted should be enough to support the case for the Harris bill. Certainly, their statements—made after a long and serious study of the problem—should be sufficient to justify the passage of this legislation by an overwhelming vote by the Members of this body.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended (Public Law 665, approved August 26, 1954, as amended by Public Law —, 84th Cong.), as follows:

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, my purpose in rising is to make a few observations, to express some of my opinions on the present cooing policy of the Communist leaders. For some reason or reasons, it is obvious that the Communists desire a relaxation of tensions. Lest we forget, I want to review some of the historical efforts of the Communists in that same respect in the past, for historically we must remember that this same relaxation of tensions was desired by the Bolsheviks in 1917 under the policy of peace, land, and bread. Again in 1935, with the growing threat of nazism under the policy of the united fronts with all anti-Fascist elements. Upon the death of Stalin in 1953, the same effort was made by the Communists under the Communist new-look peace offensive. Later we find a policy of peaceful coexistence which is operating in the world of today. Yet, while they were going ahead in bygone years with their so-called peace offensives, they were doing everything they could to infiltrate and subvert governments of other peoples and during that period of years, a number of governments and peoples have been taken over. So it is well for the American people and all other free peoples in the world to realize that this is nothing but another move; that this is nothing new so far as Communist leadership and their efforts are concerned—that they have tried it on at least three or four occasions in the past, lulling the people of the free world, as they are attempting to do now, into a feeling of contentment and complacency with the result that we will lower our guard and thus enable them to continue their advances.

This Communist policy of peaceful coexistence is perhaps as old as world communism itself. Stalin spelled it out most concisely when he stated that the very survival of communism depends on whether we succeed in delaying war with the capitalist countries, which is inevitable until communism has gained decisive power. The actual technique of a peace offensive was perhaps best revealed by Manuilsky, one of the leading Communist revolutionaries. In a much-quoted address to the Lenin School of Subversive Warfare, Manuilsky stated:

War to the hilt between communism and capitalism is investigable. Today, of course, we are not strong enough to attack * * * to win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we will begin by launching the most spectacular peace movement on record * * * the capitalist countries, stupid and decadent will * * * cooperate in their own destruction.

While I have no objections to conferences at the summit level, or any other level, I think we should keep our guard high. We should realize that this is nothing new but is a part of the Communist technique. As long as the Communists have the intent of bringing about world revolution and world domination, we must keep our guard high. We must always be on the watch and ever alert.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that for us to relax our vigilance or tensions, as so many are asking for, while the cause of tension, Communist aggression, still continues to exist, would be asking for what could turn out to be the sleep of death?

Mr. McCORMACK. There is no question about that. My only purpose was to keep alert, to show that this is nothing new, to keep our guard high, to make every effort as long as the Communists are adhering to world revolution, which means world domination, to show that until this is done they have not changed their intent and purpose.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. I take it the gentleman will agree with me that as far as our own Government is concerned there has been no indication of letting down our guard at all. On the contrary, the whole insistence has been on keeping up our guard.

Mr. McCORMACK. I have not made the slightest intimation in that regard, and I do not. I simply rose to refresh our memories that this is nothing new, that on several occasions in the past when some internal conditions required it within the Soviet Union, such peace efforts were adopted by them as a policy of expediency, but they always followed their intent and their determination of world revolution and world domination.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. McCORMACK was granted 2 additional minutes.)

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MASON. As I remember it, the gentleman from Massachusetts was chairman of a committee of this House to investigate subversive activities of Communists and others at one time.

Mr. McCORMACK. Yes; in 1934.

Mr. MASON. And following that this Nation recognized Russia and accepted Russia as a member of the decent nations of the world. Would you not say that that was a mistake, and that is where we started this coexistence business, which never can and never will work?

Mr. McCORMACK. I would not state that that was when this coexistence business started. I will agree with the gentleman that it can never work as long as the Communists adhere to their

policy or intent of world revolution and world domination. I might say to the gentleman I was not one of those who favored recognition of the Soviet Union at that time. Several years later I made a motion, when the State Department appropriation bill was pending, that no part of the funds should be used to maintain an embassy in the Soviet Union, and it came within a few votes of being adopted in Committee of the Whole. But I say there is no use going back and reviewing the past, because there is so much that we could review, and we might honestly disagree.

Mr. MASON. Mr. Chairman, will the gentleman yield further?

Mr. McCORMACK. Of course. I yield to the gentleman.

Mr. MASON. You say there is not much use in going back, but Russia promised us when she was recognized that she would not do this, that, and the other thing.

Mr. McCORMACK. The gentleman is absolutely right.

Mr. MASON. And she has broken that promise.

Mr. McCORMACK. The gentleman is absolutely right.

Mr. MASON. She has broken every promise since, and of course we judge the future by the past.

Mr. McCORMACK. I agree with the gentleman in that respect.

Mr. MASON. Are you or am I going to place any confidence in any promises that Russia will make under the present regime?

Mr. McCORMACK. As long as the Soviet Union adheres to the policy of world revolution and world domination, of internal subversion of other governments—

Mr. MASON. That is the only policy she has ever had or ever will have.

Mr. McCORMACK. I agree. As long as she adheres to the policy of world revolution and world domination, I cannot accept any of her promises.

Mr. MASON. Neither can I.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. DODD. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut [Mr. Dodd]?

There was no objection.

Mr. DODD. Mr. Chairman, I am greatly interested in the remarks of our majority leader; for 1 week from today in Geneva, Switzerland, the President of the United States will meet with the Prime Ministers of Britain, France, and Soviet Russia for the announced purpose of relieving tensions in the world and to at least explore the possibility of the beginning of an era of peace.

What I have to say today I hope will not be understood as an effort to encroach upon the power of the executive department in matters of foreign affairs and foreign relations.

Although I believe it is important to observe at this point that while under our Constitution there is a division of

power, there is no division of responsibility where the security and the welfare of the American people are involved.

Proof of this is the fact that tomorrow leaders of Congress meet with the President to discuss with him from the standpoint of congressional responsibility the subjects which are to be covered at the Geneva meeting.

It is with a sense of this responsibility that I make these remarks this afternoon.

As one in the congressional ranks, my purpose this afternoon is to let the congressional leaders who will represent me tomorrow know my interests and convictions today.

For several weeks since the so-called summit conference has become a certainty it appears to me that there has been a studied effort made to silence all in this Congress, and, indeed, outside of it, who express any misgivings about the success of the meeting or who make bold enough to suggest that certain subjects should be discussed at it.

This campaign of silence has been tremendously successful, and in its name all manner of intellectual crimes have been committed on the approaches to the summit.

This raises the moral question as to just how high is this summit.

We have been asked not to condemn Soviet Russia as an aggressor for her dreadful aggressions of the past 35 years which continue to the present moment.

We have been told that we must not speak out loud about the plight of a large number of innocent Americans who are locked up in Chinese Communist jails.

We have been cautioned not to raise our voices concerning the shooting down of our aircraft while over international waters.

And we have tied our tongues about the recent expulsion of three of our Embassy officials in Moscow.

A silence that suppresses truth cannot improve the atmosphere of a conference called to make peace.

Such a silence can only reduce our moral strength which is our greatest weapon.

Such a silence can only encourage the malefactors who disturb the peace of the world. For they may be led to believe that they have sufficiently frightened us so as to have successfully deadened our interests in justice and freedom.

Putting aside but not forgetting that the Communists have never yet kept an agreement which they have made, let us remember that we have been at the conference table with them before. From the Litvinoff agreement in 1933 to the Korean armistice of 1953, there is an uninterrupted record of broken agreements.

At all of these conference there were those who believed that by avoiding the fundamental questions and by simple professions of good faith plus toasts and social tricks all would be settled and the problems of the troubled world would be resolved.

This is the time to remember that good faith without works can never settle the problems of peace and of war.

This is the time to know that a Khrushchev reeling about the rooms in Belgrade is an unsteady guarantee of better times and universal good feeling.

For the acts of aggressive Communists are the real and the only cause of tension in the world. And I cannot understand how the Conference in Geneva can be expected to succeed in any respect if these matters are not recognized as the basic cause of trouble in the world.

That is why this afternoon I ask our congressional leaders on the morrow to impress upon the President the urgency of recognizing these basic problems at Geneva.

There can be no peace in Europe as long as the aggressive occupation of the once free captive nations by Communist Russia continues.

This seems to me to be so fundamental to the problem of peace and war in the world that I cannot understand the thinking of those who would avoid it or who appear unwilling to face it.

A committee of this House made a full investigation of the aggressive conduct of Soviet Russia and submitted a documented report to the House of Representatives. No responsible person has ever denied any of the facts contained in these reports. And as the President approaches this important conference, the information which a committee of this House obtained should be called to his attention.

Surely there can be no possibility of a peaceful settlement in Asia as long as innocent American citizens are illegally held for purposes of political blackmail by the Chinese Communists.

And I believe that I speak for the overwhelming majority of the Members of Congress and a vast majority of Americans when I respectfully suggest that until and unless these Americans are released, no conversations concerning a settlement in the East should be considered or undertaken.

For several months, as a Member of this House who has a constituent under a life sentence in Communist China, I have patiently waited for the fruits of backroom negotiation.

I have conferred with the Secretary General of the United Nations, Mr. Dag Hammarskjöld, with officials of our State Department, and I have informally conferred with other Members of this House who are also deeply concerned about constituents in their own districts who are held by the Chinese Communists.

The restraint which we have exercised with respect to this problem must not be understood as any agreement on our part to see our Government engaged in conversations about Asia until these Americans come home.

Thus, the immediate release of these prisoners becomes an absolute condition for any conversations with respect to that part of the world.

While we have been silent about continued Communist aggression and about the illegal imprisonment of our citizens, the Communists have successfully substituted as subject matters for discussion so-called disarmament and increased trade with the Communist world.

It would be folly that approaches treason for the Government of the United States to make any agreement concerning disarmament with the Communist world at this place, at this time and at this hour.

No amount of inspection or so-called control will ever make a foundation for an honest disarmament program. Essentially, disarmament is a matter of mutual trust, good faith, a will for peace, and national honor. The Communists have none of these qualities.

Whatever may be said for the risks involved in new political agreements with the Communists who have never kept any agreements, it is unthinkable, under existing circumstances, that any responsible government would make or rely upon a military disarmament agreement with them.

It is Winston Churchill who said that only our superiority in atomic weapons has saved us and the rest of the free world in the last several years from destruction at the hands of the Communists.

Much as disarmament is desired, it seems good sense to suggest that this is the last agreement that may be considered but certainly not the first.

This is a classic example of the cart before the horse.

We may take up disarmament when the Communists stop aggression and release the once free but now enslaved and imprisoned people of the world.

Those who advocate increased trade with the Communist world as a possible fruit of the Geneva Conference overlook the fact that all efforts for international economic cooperation are doomed to failure in the absence of previously established harmony in the political field.

Worse than this, the history of all such efforts not founded on harmony in the political field has had detrimental and sometimes disastrous results for the United States of America.

The Communists are interested in more trade with the free world because they want to build up strength for use against us and not because they view increased trade as a bridge for better understanding between nations.

Like disarmament, trade must wait on the more important settlements. If we make concessions on the question of increased trade without first obtaining a fulfillment of those first and fundamental conditions, namely, the abandonment of aggression and the release of prisoners and slaves, we will have only compounded our difficulties.

Economic concessions by way of increased trade should not precede the political settlement. They should be either part of it or follow it.

Mr. Chairman, I hope that our congressional leaders who meet with the President tomorrow will speak up and tell the President that there are many among us who share the sentiments and hold the views and opinions that I have expressed this afternoon.

Mr. Chairman, some ask how high is this summit? My answer is as high as we make it.

There is within our reach the opportunity, maybe the last, to bring to the highest point yet attained the ageless effort to achieve peace under law.

Finally, Mr. Chairman, I want our congressional leaders to tell our President tomorrow that we of the Congress with the people of this Nation, understand the great burden he carries as he journeys to Geneva.

That burden will be easier to carry because it holds the hopes and prayers and faith of all our people. As we approach the summit, about all we have is hope and faith and prayer, but these are enough to warrant yet another try for peace and justice in the world.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Illinois.

Mr. MASON. I want to compliment the gentleman upon his thesis that he has been presenting to us. I agree wholeheartedly with the gentleman and the theme of his speech.

Mr. DODD. I am very grateful to the gentleman.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Indiana.

Mr. MADDEN. I want to compliment the gentleman on the message he has just conveyed. Also I might mention that the gentleman from Connecticut was the No. 1 prosecutor under Justice Jackson at the Nuremberg trials. His official title was chief trial attorney and he successfully convicted a band of Nazi tyrants who failed in their ambition to enslave the world with the same blueprint as the Kremlin is inflicting on the free world today. I know of no one who has a more extended and experienced knowledge of tyranny and tyrants than has the gentleman from Connecticut. Further, he was a very valuable member of a committee in the last Congress which held hearings in Europe and in this country, known as the Communist Investigating Committee, and rendering great service on that committee. That committee heard the sworn testimony of over 330 witnesses who had sacrificed, suffered, and fought communism on both sides of the Iron Curtain during the last 20 years.

Mr. DODD. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, those who heard the debate on this bill making appropriations for foreign aid will recall that practically every speaker pointed out that the carry-over fund in the mutual security operation varies from an estimate of about \$6 billion to more than \$8 billion. That amount of money is several times the amount that will be actually expended and delivered in any one year, judged by experience over the last few years. That means

that we are asked here to appropriate approximately \$3 billion again, or close to it, when the very operation to which this money will go has a carryover fund in excess of \$6 billion to \$8 billion, which they can rearrange, rereserve, unreserve, deobligate, or do almost anything else with.

Now, it has been stated by the proponents of this measure that it is next to impossible to get the folks handling this program to tell you exactly how much money they do have. The hearings will disclose that in periods shortly before the end of the fiscal year they attempted to commit, to obligate, or reserve in excess of \$1 billion. Why? To tie strings on it so that they could ask Congress for these billions of dollars of new and additional money. It is admitted in the hearings that many of these hundreds of millions of dollars will not be used for the first purposes for which they were set up. It is admitted that this is a fluid program. It is admitted that the Mutual Security Agency or the group that now handles it under this bill has the right to deobligate, the right to dereserve, the right to decommit.

Now, since they will not spend anything like the six or eight billion dollars they already have and since they have full authority to shift those funds from the places where they were set up for to the places where they are needed, I plan to offer an amendment, which is at the Clerk's desk now, which would reappropriate from funds heretofore appropriated funds to carry out the program that is in this bill. I am certain that this committee is going to make a point of order against that amendment. I went to members of this committee who talked to me about the problem that they had and urged them to carry out this year's new commitments from this carryover fund, and then we will begin to bring some order out of chaos. Now, I have reason to believe that a point of order will be made, and it may be that it will be sustained, but if this committee is not willing that these funds for the new program be used out of the six or eight billion dollars, which they cannot keep an account of, then the thing to do would be to defeat the appropriation bill, and then this foreign-aid group has ample authority with funds in their hands to carry out the authorization bill which we passed the other day. In other words, by defeating this appropriation, you definitely are not preventing the use of a sum equivalent to this to carry out the authorization bill that this Congress passed only a few days ago.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Virginia.

Mr. GARY. Is it not a fact that the adoption of the gentleman's amendment and the defeat of the bill would have identically the same effect?

Mr. WHITTEN. I will express it this way. If the gentleman is sincere—and I know he is always sincere, if he agrees that they would not expend during the coming fiscal year more than those six or eight billion dollars that they have

as a carryover, and they will not, I think the gentleman would agree that with my amendment or with the defeat of this bill, as long as they have a carryover of six or eight billion dollars, they have ample authority to decommit, deemphasize, dereserve, or whatever it takes to carry out the authorization bill that was passed here the other day during the coming fiscal year.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. PASSMAN. Is it not true that there are in this program many items that have a long-lead time, many programs where the money must be committed 2 or 3 or 4 years in advance for that reason? Is that not true also of the military, of which subcommittee the distinguished gentleman from Mississippi is a member?

Mr. WHITTEN. That is true under the policies the Congress has let them follow. And that policy is just about to bankrupt this country, in my opinion. That is true only because of actions of this Congress. We should have been able to keep a proper financial record of this program. We could have authorized the agency to enter into contracts. Then we could have paid what we owed on those contracts each year, and we could have made them show us what we owed and what progress they were making. We could have this six or eight billions of dollars in the Treasury for they have not owed it to the point of payment being due, or they would not still have it. What is this committee doing now? It says that because we might possibly over a period of years need a billion dollars, we shall hand somebody a billion dollars, because it might take that much money. In effect, we give them contract authority, and then we give them billions of dollars in advance, to the full amount of the contract authority; it looks like so we know darn well that it will take that much.

That is the fallacy of this approach. It is true also of the military. They come before us and say they want a large number of military planes. The contract for those planes may last 5 years. But under the present policies of this Congress, we compel them to take the money for the total cost of the contract, even though the contract may be canceled at the end of 1 year.

Let me repeat, they have got more money now, twice as much money now as they can spend in any one year. I am talking about spending. But they say, "We made commitments. We have reservations." But they tied many of those strings just before they came down to Congress to get new money. But remember they have the right to decommit it, to deobligate it, to transfer it.

Now let us see if they are right about it, if this committee is right in saying we have made these commitments. If they are right in saying that we made these same obligations—and that is not what they said; what they said was, "We worked for weeks on this thing, and we cannot honestly tell you what they have

done, because they told us a half dozen different stories." And I have heard from two committees different versions.

But if there is a firm obligation, do you not know that this Congress is going to carry out its obligations? The fact that you have obligations does not mean that you have got to give them six or eight billion dollars carryover and some \$3 billion more to go with it, because, if so, we lose all control. So that when you give them all that money, do not complain when you cannot exactly keep track of it. They cannot keep track of it themselves. I say that for this reason. There are certain reports that are supposed to come to this Congress under the law. We still do not have them, because this organization, this agency, cannot give them to us.

I have this amendment at the Clerk's desk, and now I want to come to another point that is very much involved in this, to show you where this foreign aid leads. I was in Europe in the month of October. Europe has recovered more than 150 percent. They just do not believe that we borrowed this money to give to them. And that is going to be the attitude in other places. They really will not believe it. I have an investigator's report, which is to be found in the hearings on the supplemental bill, which Members can get from the Committee on Appropriations, which shows this. In the field of agriculture, we have provided money to develop lands in foreign countries, to build dams and reservoirs, to clean up land, and so forth. Then we have given American interests tax benefits if they would go in there and develop those lands. And they are producing commodities the same as the Commodity Credit Corporation now owns more than \$4 billion worth on which we pay more than \$700,000 a day storage. Then what do we do? As a matter of Government policy, we hold our commodities off the world markets. These American financial interests develop these countries, getting tax concessions and also technical assistance to show the local people how. We hold our commodities back so they can have the market. Then, as we hold them back, we count those commodities and reduce the acreage of our farmers in this country even to the point of putting many out of business. The Department of Agriculture's own survey shows that 55,000 small cotton farmers here were put out of business this year as a result of acreage cutbacks. It shows that 130,000 farmers were reduced below \$1,000 in income. That is not the end. It gets so bad that our President asked Congress, and I will bring the bill in next week, to help the small farmer in the United States whose production we moved overseas right through this thing here. And that is not the end of it. Then we passed Public Law 480 to give away all these commodities which we put somebody else in the job of producing. We held them back so they could have the market. Now under the foreign aid we increase foreign production still more and give them money, so we can give them United States commodities we held off world trade for their profit.

If there is any round robin where you dig your own grave and pull the dirt in on top of you, this is it. But whether you agree with me about that or not, you should read those hearings. If you do not agree with me and if you are 100 percent for foreign aid, as long as the carry-over is six or eight billion dollars, as long as they do not have any reason to expect they will spend anything like half that in 1 year, it is sound to say that this work in this bill shall be taken out of this carry-over of funds. Then we are beginning to bring order out of chaos, and we could at least tell where we are going moneywise.

Mr. JUDD. Mr. Chairman, there are several items in the bill which I regret the committee cut. One is the item in the budget estimates of \$12.5 million for the intergovernmental Committee for European Migration. The committee cut that to \$10 million. It is estimated that this will mean a reduction of 25,000 in the number of refugees and others in Europe who can be resettled in this new fiscal year.

It comes at a time when an urgent situation has arisen where it would be of the greatest advantage to have those additional funds available, or else additional funds for the United Nations High Commissioner for Refugees. I refer to Austria where there still are between 30,000 and 35,000 refugees from Russia and Iron Curtain countries. Under the allied occupation of Austria, they were safe. Now Austria is being given her independence and the refugees are living in the utmost fear that the same thing will happen to them that happened at the end of the war to many refugees who had come over from the Soviet Union and East European countries and after Potsdam were shipped back to Communist enslavement. We seek to assure them, but we will no longer be in control in Austria and they live in apprehension.

It is made worse by the fact that at this moment there is a Soviet repatriation commission that is visiting all of the camps telling them, "You have been let down by the West. You still live here semidestitute in camps, you ought to come back to your homes and relatives in the Soviet Union, or Hungary, or Poland, or Czechoslovakia. All is forgiven. All will be milk and honey."

Mr. Chairman, there is no denying the fact that this appeal is getting results. The Voice of America assures people behind the Curtain that if they defect and come over to our side, we will take good care of them, they will have good treatment, their freedom and their personal liberties will be protected. Thousands are still coming over, but the number is decreasing and the number of those who are returning in disillusionment is growing. The Soviets are spending huge quantities of money in this so-called redefection program. Every refugee who comes over to the West and loses hope and in despair goes back to the Communist side of the Iron Curtain is a tremendous victory for them. This is no place or time to reduce our help. These refugees in Austria constitute an emergency situation and the Intergovernmental Committee for European Migra-

tion or the United Nations Refugee Fund ought to have more funds, rather than less, to deal with it quickly and vigorously.

Mr. MASON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MASON. What motion is before the Committee that the gentleman is speaking to?

The CHAIRMAN. The gentleman has moved to strike out an appropriate number of words.

Mr. MASON. I did not hear that motion made.

Mr. JUDD. If I forgot to make it, I am sorry for that technical error. Mr. Chairman, I make the motion now, to strike out the last word.

My point is that here is a cut in the bill which I hope the Senate will restore so that it will be possible for our Government to go into those camps on a somewhat crash basis and find means of resettling promptly all of the 30,000 who can be resettled. This is one of the times when it is important to move with speed.

While I understand what motivated the committee in making the reduction, and I shall not offer an amendment here to restore it, I want the RECORD to show that the House recognizes the unusual importance of this particular group of refugees. I believe the House will agree to any increase adopted by the Senate for this purpose. The United States Government ought to make a special effort to help these anti-Communist refugees move to places of greater security and opportunity, not only for the sake of those individuals but for the psychological effect on all the people, especially our friends, in the countries on both sides of the Iron Curtain who are not quite sure at this moment just what their future is.

Mr. O'KONSKI. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in answer to the gentleman from Minnesota, I wish to state that that is just another example of the way the Soviets are outsmarting us. While they are putting ads in the papers throughout the world asking people who have escaped from communism to come back home and all will be forgiven, we are doing exactly the opposite. We have three young men who made the mistake of staying behind the Iron Curtain. They are on their way home right now. They had to borrow money in order to get home. They are boys who volunteered for service in defense of their country when they were only 16 years old. They were sent into combat and captured when they were 16½ years old. When they get back to the United States of America in spite of the fact that they said they would rather stay in America in jail than live under the Communists in China—they are going very likely to be court-martialed and prosecuted. It is just another example of the way the Soviets are getting a propaganda gain on us because they know how and we do not.

I want to submit for your consideration this thesis: Every foreign-aid bill the United States of America has adopted since 1919 has led to death and destruction for the United States of America. This foreign-aid program is no different. I would like to start with Germany, in 1918 to 1935. I wonder how many of you read the debates in the Congress during those years and how many of you read the State Department papers that were wrapped up in a nice little red book that they sent to your offices? How many of you read the communiques exchanged between the German Government and our Government from 1918 to 1935. Everyone of those communiques says, "Send us more money into Germany and save up from the Bolsheviks." They did not use the word communism then—it was the Bolsheviks. And we sent them the money. We had the Dawes plan. We had the Young plan and I remember in 1930 and 1935 when we had as many as 10 million unemployed in the United States of America, we were building steel plants and we were building Stuka bomber plants and stadiums in Germany. Sure we saved the German people from the Bolsheviks, but we gave them Adolph Shickelgruber. Our foreign-aid program in Germany led to nothing but death and destruction for the United States.

From 1933 to 1936, when we recognized Russia, we sent them boatload after boatload of farm machinery and industrial equipment and the Soviet Union under the first 5-year plan was built up by technical experts we sent there. If it had not been for the first 5-year plan and the help received from the United States of America, communism would never have survived—or bolshevism at that time—in the Soviet Union. We saved bolshevism for Soviet Union. There again the American foreign-aid program lead to death and destruction for the United States.

In 1935 to 1939, we were shipping scrap iron and high-octane gasoline to the Japanese trying to buy their friendship by the carload. They had enough high-octane gasoline and enough scrap iron from the United States in 1939 that they could fight the war for 1 year without doing anything by themselves for fuel or scrap iron. Much of that scrap iron is in the bellies of dead United States soldiers.

Then from 1940 to 1946, we started the lend-lease program and here we really made the enemy that we are facing in the world today. With \$13 billion we took good care of Uncle Joe before we took care of our own interests at that time. It was under this lend-lease program that we also made Communist China strong. That is where Mao came into power with our lend-lease equipment. They had better equipment and better guns and better tanks than we ourselves had. It was this time also when Ho Chi Minh, who conquered China, came into being with the aid of the American equipment handed out under the lend-lease program.

In 1946, we started the UNRRA program. If the Communists believed in God, they would get down on their knees

and thank God for the UNRRA program because we did more to help them entrench communism behind the Iron Curtain with UNRRA than any program that they could possibly conceive of themselves.

Then we had the Marshall plan in 1947. Do not be mistaken. When the Marshall plan was first enunciated, we invited the Soviet Union to come in and get their billions. Originally, the Marshall plan called for a foreign aid program of \$10 billion a year and we invited and begged the Soviet Union to come in and take part of it. In other words, the original Marshall plan was to give it to everybody who would come and help themselves. But the Soviets turned us down. Then we started the mutual security program and said now we are going to give money only to those who fight against communism. Now we have even changed that. We now have a program saying we will give the money to anybody who is not only against communism, but anybody who said that they hated communism just a little bit less than they hate us. So now we are giving \$300 million in this bill of unappropriated, unexpended funds to the biggest and smartest Communist of them all, namely Marshal Tito. I say for your consideration that every foreign aid program adopted by this country has led to death and destruction for America, and so will this program.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN:

On page 1, line 3, strike out the word "appropriated" and substitute the word "re-appropriated."

Page 1, line 4, strike out the words "not otherwise" and substitute the word "heretofore."

Mr. PASSMAN. Mr. Chairman, I make a point of order against the amendment that it is legislation on an appropriation bill. He attempts to appropriate money heretofore appropriated and programed, and it goes beyond the scope of the present legislation.

Mr. WHITTEN. Mr. Chairman, it is my understanding that a rule was had on this bill on legislation included in it. It is my understanding that money now in the Treasury to the credit of the foreign-aid program is not all expended.

The CHAIRMAN. The legislation under consideration is not here under a special rule. If the gentleman does not care to be heard, the Chair is ready to rule on the point of order.

Mr. WHITTEN. I have nothing further to add, Mr. Chairman.

The CHAIRMAN (Mr. WALTER). Rule XXI, clause 5, is very plain. It provides that—

No general appropriation or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations.

It seems to the Chair that this language very plainly deals with the amendment that has just been offered, and the Chair sustains the point of order.

Mr. PASSMAN. Mr. Chairman, I offer a committee amendment, on page 2, line 1.

The Clerk read as follows:

Committee amendment offered by Mr. PASSMAN: On page 2, line 1, after the words "Public Law", insert "138."

Mr. PASSMAN. Mr. Chairman, this is simply to get into the bill the number of the public law.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Military assistance: For assistance authorized by section 103 (a) (2), including not to exceed \$23,250,000 for administrative expenses to carry out the purposes of title I, chapter 1, and section 124, \$705 million, of which \$122 million shall be available for infrastructure as authorized by section 104 (a); and in addition not to exceed \$33,900,000 of unobligated and unreserved funds heretofore appropriated under authority of section 103 (a) (1) of the Mutual Security Act of 1954, as amended, are continued available until June 30, 1956, for the purposes of section 103 (a) (2);

Mr. BENTLEY. Mr. Chairman, I have an amendment. Am I supposed to wait until the end of the section, or should I offer it at this time?

The CHAIRMAN. The bill is being read by paragraphs.

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 2, line 13, change the semicolon to a colon and add: "Provided, That no funds appropriated in this act shall be available for assistance to any nation that has received assistance under the first sentence of section 122 of the Mutual Security Act of 1954."

Mr. PASSMAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BENTLEY. Mr. Chairman, first I would like to apologize to members of the committee for not having been able to discuss this amendment with them earlier. I mentioned it in the remarks I made in general debate.

Incidentally, I would also like to say something that I omitted to say before. I think the members of the Committee on Appropriations and this particular subcommittee have done a very commendable job on the whole with respect to this bill. But there is this question of subsidizing the British aircraft industry, which I want to bring up at this time.

My amendment says that no funds appropriated in this act shall be available for assistance to any nation that has received assistance under the first sentence of section 122 of the Mutual Security Act of 1954.

That first sentence is:

SEC. 122. Production for forces support: There is hereby authorized to be appropriated to the President for the fiscal year 1955, to be made available on such terms and conditions, including transfer of funds, as he may specify, not to exceed \$35 million for manufacture in the United Kingdom of military aircraft required by United Kingdom forces for the defense of the North Atlantic area.

In other words, Mr. Chairman, it means that if my amendment were adopted it would strike out appropria-

tions for the program which we are presently continuing, and which we are presently considering, for British military aircraft.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. VORYS. The gentleman said it would strike out appropriations. As I understand the gentleman's amendment it does not strike out any appropriations provided in this bill but merely provides that none of it shall be used for British budgetary support of this airplane program that the gentleman described during general debate.

Mr. BENTLEY. The gentleman is right. I appreciate the gentleman's correction.

Mr. VORYS. It is substantially the same amendment that the House adopted last year, and I am for it.

Mr. BENTLEY. I thank the gentleman from Ohio and I certainly appreciate his correction, because it does not strike out any appropriation, it merely means that no appropriation of any funds under this legislation today will be made available for budgetary support of the British military aircraft industry.

I read a few moments ago from a Hoover Commission report, or rather from a report prepared by the staff director of the overseas task force of the Hoover Commission. I would like to continue to read from the report of the Hoover Commission entitled "Report on United States Aid to the British Aircraft Industry." It says:

An inquiry has disclosed that even assuming the best possible performance in the British production program, the United States, out of existing excess plant facilities, could equal the scheduled production dates for the British fighters to be purchased offshore with the same number of F-86's.

The director of this task force raises this one question in making this report. The staff director of the Overseas Economic Operations Task Force asks:

Does not United States interest in getting the best possible planes for the Royal Air Force, as well as a desire to conserve taxpayers' money, suggest the need for a complete and impartial review of our participation to date in the British aircraft program by some appropriate committee of Congress before any further commitments are made?

Mr. Chairman, I respectfully submit that no such review has been made by the Appropriations Committee, and no review has been made by the Foreign Affairs Committee. So far as I know with the exception of one report filed by the Senate Appropriations Committee, from which I quoted before, no report has been made at all. And as I said, the Senate Appropriations Committee report from which I quoted before is the only review to this date of the British aircraft industry that has been made by any congressional committee. It finally recommends that it would be well to explore with the British Government the possibility of using American airframes made by American airplane manufacturers; and if we have to have cooperation with the British, then go ahead and put British engines into them.

The British airframe manufacturers, according to clippings I heretofore read with respect to the Javelin clearly indicate that the British airplane construction program is in a very unhealthy situation.

I think we ought not to make any more money available for this program until we have had a chance to review the entire program.

The CHAIRMAN. Does the gentleman from Louisiana desire to urge his point of order?

Mr. PASSMAN. Mr. Chairman, I withdraw the point of order and ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 76, noes 66.

Mr. PASSMAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PASSMAN and Mr. BENTLEY.

The Committee again divided; and the tellers reported that there were—ayes 91, noes 92.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. With respect to page 2, line 7, of the bill, concerning the word "infrastructure," may I ask the Chairman if there is anything in the rules or precedents which requires the use of a good American word?

The CHAIRMAN. No; there is nothing in the rules requiring it.

The Clerk read as follows:

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, \$1,175,000;

(Mr. SIEMINSKI asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIEMINSKI. Mr. Chairman, the bill before us is sound and should pass.

Though the financial hands guiding the bill seem to hold reins loose and not taut, the horse is before the cart and both move in the right direction, up the hill to better days and not down the hill to dark valleys and cold caves.

The hearings before the subcommittee read, in parts, like a narrative. I liked several statements on economic aid by the Secretary of State, Mr. Dulles, and by Mr. George V. Allen, Assistant Secretary of State, Near Eastern, South Asian, and African Affairs. Their statements, in particular, lay a firm foundation in justification of the bill. Stone by stone, each of the other witnesses add to this pyramid a love that will live in the hearts of men and nations for ages to come, provided we have the courage to cheer them on, especially if occasionally some stones seem to slip from their hands.

On pages 6 and 7 of the hearings, Mr. Dulles discusses the need for economic aid. His remarks on page 7 are brilliant. He shows how organized man, through history, has trampled and tattered individuals to satisfy craven aspirations, and that the role of man through history

has been to reach the summit and face the sun, not by the whip, but by bringing the forces of organized man to his service, be they big family, big church, big business, big labor, big government, or big world. So it goes.

On page 338, in answer to a good question, Mr. Allen seems to hold the fate of the bill in the palms of his hands when he rather soundly cites a basic justification for the program in India; as Mr. Dulles did, on page 7, for the program in Yugoslavia; situated as it is, at the soft underbelly of Europe; while India sits astride the route Stalin planned for Communists from China to Paris, via the Mediterranean Basin, North Africa, and Spain. To me, the twin testimony of Mr. Dulles and Mr. Allen comes close to the knuckle of this bill.

Mr. Chairman, it is interesting, too, to contemplate how this bill, knowingly or not, goes after the soft spots in the society of men and nations as pointed out by Norman Angell in the early 1900's in his book *The Unseen Assassins*. The book called the shot on World War I, just as a revision of it in the early thirties called the shot on World War II. This bill appears to call the shot on peace for the balance of the century. It does something. The bill says that men can whip war in peace and that the more we sweat in peace, the less we bleed in war if war there must be.

I am listing below now, Mr. Speaker, excerpts from remarks by Mr. Dulles, Mr. Allen, and Mr. Angell, as well as a preface written by a gentleman for an armistice address in which he used a chapter from *Unseen Assassins* to illustrate his point. They justify my faith, at least, in the merits of the bill and its passage by the House.

On page 7 of the hearings, Mr. Dulles says:

NEED FOR ECONOMIC AID

From an economic standpoint, the pressure comes very largely from the fact that the Chinese Communists are developing an industrial economy and are making very considerable capital improvements in the way of new roads, railroads, ports, airfields, and the like, and some actual industrial plants. Now that kind of thing is done in a Communist country at great cost to the individual liberties and freedom. In Russia it has been very largely done by slave labor; many hundreds of thousands and probably millions of people have literally died in conditions of slave labor to build this capital plant of which the Soviet Union boasts and there you have considerable progress in that respect.

The same thing is going on in Communist China and it is extremely important for the non-Communist countries to find ways whereby they can develop their economies. They are impressed by the developments going on in the Communist countries. They forget the people that died. They are dead and buried and forgotten. What remains are the plants themselves, the railroads, or whatever it may be. Those are visible; visitors go to see them just like they go to see the pyramids of Egypt. They do not think very much when they look at the pyramids of Egypt about the hundreds of thousands of people who died under the lash to lift those great stones. They are dead and gone years ago. What you look at and admire today is the pyramids.

(Discussion off the record.)

Secretary DULLES. Now all of those despots have been able to squeeze out of the people capital developments, monuments, and the

like. We have to find some way whereby free peoples can also develop their economies, and the whole emphasis of this year's program is upon the economy there.

Roughly speaking, one-half of all the funds sought is for straight military assistance; roughly speaking, another quarter, about 28 percent, is for defense support. That is for helping the economies of countries that are maintaining a military organization which our military people think is in our interest, but which is beyond the capacity of the people to support unless they get some sort of financial assistance. And then the balance of the funds, about 22 to 23 percent, is economic assistance which is not directly related to any military operation. Of that, almost all is in Asia and is designed to help promote the overall economies of Asia, so as to give the people there hope that out of a free economy they can have some sort of capital development comparable to what is going on in the Soviet and Chinese Communist world.

Mr. PASSMAN. Thank you, Mr. Secretary.

On page 338, 339, and 340, Mr. Allen and another add:

BASIC JUSTIFICATION FOR PROGRAM IN INDIA

Mr. WIGGLESWORTH. I want to ask Mr. Allen one further question, coming back to the matter that we discussed this morning—India.

I am going to put you in my position and assume that you are on the floor of the House some days hence, explaining this bill to the House. We will assume that someone has offered an amendment to eliminate this \$85 million for India on the ground that he is opposed to aid to a country that is not affirmatively with us, whose leader when he speaks or acts from time to time indicates that he is apparently actually against us, and that as a matter of policy the Member offering the amendment thinks the payment to India is ill advised. What is your response in defending the overall request for India?

Mr. ALLEN. Mr. WIGGLESWORTH, that is a basic question which goes to the heart of this whole thing. I am glad you put it so succinctly. Your question has been asked in the House Foreign Affairs Committee and in the Senate Foreign Relations Committee and on the floor of the Senate, and I expect that it may be asked on the floor of the House when the enabling legislation goes through and again when your report is made.

Different persons may have different reasons for supporting a particular program. My own basic approach is that our technical assistance and economic aid programs are in the national interest of the United States.

Mr. WIGGLESWORTH. Why?

Mr. ALLEN. Because it is unhealthy for the United States to live in a world where there are wide divergencies of standards of living between our own country and that of other countries. I do not favor a leveling down program by any means. Quite the contrary. I favor a policy of trying to do what we can to improve the standards of living in the free world so that these great differences that exist and which create bitterness and jealousy as long as they last will tend to be alleviated; at least we should show we are interested in helping to do something about the problems of underdeveloped countries. That reasoning applies to the whole aid program. I am well aware that a lot of countries need aid and that since we have a limited amount of money you may ask why we should give \$85 million to India when the money could be advantageously used elsewhere. My position is this. There are two great undeveloped countries in the world, China and India, with almost half the world's population. India is the only one not behind the Iron Curtain. A lot of attention is being paid to whether China is going to make progress faster than India, and vice versa. If somebody proposed on the floor that the \$85 million for India be wiped out

because we do not like what the Prime Minister signed at Moscow last week, he would be taking a rather heavy responsibility. He would be saying, in effect, wipe India off, India is gone. I do not agree with that.

Mr. WIGGLESWORTH. What do you mean by "India is gone"?

Mr. ALLEN. India has gone to the other side.

Mr. WIGGLESWORTH. In other words, you think the action just suggested would tend to drive India to the arms of the Soviet while we still have a chance?

Mr. ALLEN. No, sir. I say that anyone who proposed eliminating this item would assume the attitude that India is finished as far as we are concerned.

Mr. PASSMAN. Will the gentleman yield? In the statement that you read this morning, quoting from Nehru, did he not state that if we discontinued this, their policy and views and objectives would be the same?

Mr. ALLEN. That is the statement he made.

Mr. PASSMAN. Evidently he did not mean what he was saying, if it would drive them behind the Iron Curtain if we did not allow this money.

Mr. ALLEN. I am not saying that it would drive them behind the Iron Curtain. I say we would give up our efforts to help India, and if our energies and efforts were discontinued, there would be nothing to counteract the pulls in the other direction, and those pulls might be very serious, no matter whether Nehru or anybody else wanted to go that way or not.

I have just been shown a statement made by Nehru on March 31 of this year.

"The functioning of the Cominform is an interference in other countries' affairs and is not compatible with the policies of noninterference."

Nehru told the Indian Parliament on September 29, 1954:

"International communism has given rise to fears which cannot be ignored. The fears arise, not to the official activities of Communist governments but what they might do sub rosa through the activities of the Communist parties which seek to interfere with the internal affairs of the countries concerned."

That is not a statement of a man who has signed up with Moscow.

There are other statements which can be quoted. I cite this as a basis for judging that this is still an area we can work with.

Furthermore, I do not want to cast any reflections on any other country, but, dollar for dollar, I can support aid to India more enthusiastically than for any other underdeveloped area I know anything about, if the question of how the money will be spent is the criterion. India has a good development scheme, a going concern, good technicians, and a good government organization which is trying to do something about the standard of living of the people.

There are many underdeveloped areas which we would like very much to help, but which do not have enough substance to tie on to. No amount of dollars would improve the situation. You have to have something to work on, and you have that in India.

Mr. WIGGLESWORTH. When you revise your remarks, if you care to amplify your answer, I wish you would feel free to do so, because this is a question which I am sure will come up on the floor.

Mr. ALLEN. Thank you, sir.

Mr. SEAGER. May I add a footnote to what the Secretary has so well stated?

I think we ought to bear in mind that there is a show window of a kind being developed in Red China by totalitarian means, and there is another kind of show window in the form of this developmental program in India, with specific reference, perhaps, to the community development area, which is moving forward in India.

The eyes of South Asia are focused on India.

We have associated ourselves with this, and we are recognized as having played our part in the development of such a show window under a democratic form of government.

If the Indian experiment wins out and attracts more disciples than the Red Chinese show window, then I think we shall have been abundantly satisfied with what we have done in India through our association with them in this work.

I think that that is also something which might be brought out when you are questioned on the floor, sir.

Mr. ALLEN. Let me make an additional statement right there.

Soviet Russia is just starting a technical-assistance program in India. If they go through with the steel mill, they will have a considerable economic-assistance program in India.

They may learn some hard facts of life which they have not run into yet.

Radio Moscow has been indulging in the liberty of saying every day that the United States is a wicked, imperialist country which demands that anyone who takes aid from the United States must stand up like a puppet and be counted.

When India starts taking Russian technical assistance and economic aid, will Nehru stop making statements about the activities of international communism? I doubt it; for if he does, he will be labeled a Soviet puppet. I don't know whether Moscow will be able to take criticism or not from a country which receives its aid. We can take it, but I am not certain Moscow can.

Mr. WIGGLESWORTH. That is all, Mr. Chairman.

The foreword to an armistice address in 1932 follows. The address was based on a chapter from *Unseen Assassins* entitled "Patriotism Versus Welfare." If time and space allow, a portion of the chapter will also be cited:

FOREWORD

One of the profound convictions of the World War period is today almost forgotten. We no longer believe that it was a war to end war.

How remote, how fantastic this idea now seems. And yet it buoyed up millions. I was myself naive enough to believe it. And it seemed to me a goal worth fighting for. To the degree that it indicated that the peoples of the earth were determined to suffer no more wars, it was one of the most constructive and wholesome outcomes of the period.

In what sad contrast stands our present disillusionment. In place of the conviction that all wars are futile waste, we now find an almost universal abandonment of this belief and, in its place, a fatalistic conviction, apathetically accepted, that war must continue.

Our attitude of resignation is unruffled by the consequences. It is a commonplace that material advances have made progressively more and more catastrophic the damage resulting from each successive war and that it is to be anticipated that the intensity and extent of human misery to result from the next war will surpass all precedent. This realization is, however, no deterrent.

Some writers have intentionally depicted in detail the bestiality of war—its misery, its injustices, and its mutilations. Their purpose has been clear—to strip away its glamor its flag waving, its martial music, and present it in such light that no one would wish to participate, thus reducing the likelihood of its recurrence. But their efforts have been ineffective and will always be so. What man of spirit and character, his passions aroused and feeling himself the

champion of a righteous cause, has ever been deterred by the thought of difficulties ahead? Each fresh obstacle strengthens his determination and makes him the greater hero in the eyes of himself and others. In time of danger do any but the craven prefer desk jobs to front-line service? If war is to cease, it will not be through magnifying its hardships.

To be sure, there are some few, perhaps fortunate, individuals who feel that the last important war has been fought—that international rivalries and hatreds will, in some manner not specified, be adjusted by moral, spiritual, or ethical forces. They agree that a few armed conflicts of lesser magnitude—like the present Japanese invasion of China—may occur, but contend that in larger and more important issues involving the European powers, the contestants will be willing to compromise their hatreds and rivalries.

Surely here the wish is father to the thought. Is it reasonable to believe that moral forces, unable to prevent minor conflicts, will be strong enough to avert major catastrophes? If a bucket of water is too little to extinguish a grass fire, is it intelligent to rely upon it to quench a forest conflagration?

Besides, what are these intangible moral forces upon which such reliance is placed? Are they something new? They are as old as history. They are the weapons now being used by the League of Nations with constantly increasing effectiveness and, in the training of the peoples of the world, to understand and use them in concert lies, perhaps, our release from Armageddon. But that is in the far future. The potential power of the League of Nations is not its actual power. Today, in disputes of even secondary importance, it is impotent to control the forces in conflict. Those optimists who refuse to face facts and deny the probability, even the inevitability, of additional wars of the first magnitude, are living in a fool's paradise. Does all this mean that human society can never escape from recurrent warfare? I believe the reverse may be true. In any case, if civilization is to survive at all, the human race must learn to eliminate war.

There exists the ever-present danger that majorities will continue to be led by militant minorities, as in the past, a danger accentuated by the development and refinement, during 1914–1918, of an engine of war which ranks in importance with the conquest of the air—I refer to the machinery of propaganda. Never before has the organized and directed leadership and control of public opinion been so systematically managed. During that war the contestants undertook and succeeded in dictating not only the information furnished their respective nations, but their opinions, their sympathies, and their antipathies. The technique of arousing the hatreds of whole peoples against their neighbors was mastered and individual reason submerged. What was done so successfully then can be done again.

This is the more easy because the combative spirit is deeply rooted in our nature. One tale of injustice or atrocity, cleverly told, can arouse us to unreasoning passion. The whole history of mankind is one of struggle, not of conciliation. For century upon century man's success has been measured by his material triumph—first over nature and more recently over his neighbor. In comparison, his heritage of success through cooperation with his fellow man is insignificant.

This raises the question as to whether patriotism should be regarded as a cohesive or a disruptive element. On the one hand, it is an excellent example of cooperative action by all the citizens of a given country in their common interest, and therefore desirable. On the other hand, it is common

knowledge that nothing is so provocative of international discord as ardent nationalism. This leaves the individual in a quandary.

What, then, is our patriotic duty to our country? We are brought up to revere patriotism and honor those national heroes who were patriots. But patriotism means (or so we are taught) that the interests of our particular nation must be secured before all else, even by the use of force. If it so happens that another nation desires also to secure the same benefits and its nationals are equally patriotic, conflict inevitably ensues. It is noteworthy that the question of right and justice does not here enter at all. What, then, is the distinction, if any, between patriotism and undiluted self interest on a national scale?

The answer lies, it seems to me, not in a denial of patriotism, but in an analysis of its elements. Patriotism is merely the modern development of the cohesive force which has been operating through the whole course of the development of our civilization. In the infancy of mankind it caused the family to combine forces for mutual help and protection. The tribal grouping proved stronger than the family alone and the tribe in turn was later supplanted by the Nation.

Here two elements are at work. The most noticeable is, of course, the greater offensive strength of the larger combination. Because of our combative natures, we think of larger groupings first in terms of their greater effectiveness as offensive organizations. Their might in conquest of defense is the point stressed. But there is a second factor in this sequence of larger and larger groupings, which, I believe, is of superior importance. This is the element of cooperation. For each of the successively larger integrations from the family to the Nation has required a larger measure of cooperation among the constituent individuals. And it is just here that the essential good embodied in the conception of patriotism lies hidden. This same cooperation must be freed from the restricting bonds of narrow nationalism and practiced as between nations. Let us scrap the existing conception of patriotism as something good for ourselves, to be secured at the expense of the other fellow, and substitute a larger conception in which the greater good of all concerned is the objective. A patriotism that seeks the enhanced welfare of the whole human family deserves our support. A patriotism that condones the forceful coercion of other nationals for one's own interests and against theirs, without regard for the essential justice of the case, is unsocial and unsound. In unvarnished words, this latter construction of patriotism means "might makes right," a principle of conduct renounced long since as between civilized individuals, but still in force as between nations.

It would thus follow that action in the name of patriotism should be carefully scrutinized. That calling for an expansion of cooperation for the general welfare, whether within or without the national group, is good; that containing a denial of the just interests of others, to be secured by coercion and not by cooperation, whether within or without, is evil.

Unfortunately this definition is not yet accepted. The idea that a good citizen should be so unpatriotic as to withhold his support from the attainment of some national objective, for the inconsequential reason that it violates the equal rights of another but weaker nation, will be heatedly rejected by all 100 percent nationalists. We are all so accustomed to taking what we are able to take (on a national scale) without troubling to consider any other factor, that it is distinctly annoying to have it suggested that we should stop to consider either the rights of others or the welfare of society as a whole.

This reconsideration of the ethics of patriotism—so logical and yet so upsetting—

can gain acceptance only through education, a long process of public enlightenment. The dethronement of the existing popular conception of "my country right or wrong" and a realization of what elements in it are sound and should be retained and what other elements are unsound and should be discarded, will only come when many people have been stimulated, provoked or infuriated to the point of thinking for themselves.

This is one of the many reasons which have impelled me to reprint the following powerful chapter from Norman Angell's *The Unseen Assassins*. The charm of his exposition is as irresistible as his logic is inescapable. His discussion of the European situation is illuminating and his general conclusions helpful in our estimate of the future. It is my hope that all who read this chapter may not fail also to read of book of which this is only a part.

MELBERT B. CARY, Jr.

In conclusion, Mr. Speaker, it is fair to say it seems to me, that this bill, as implied in my opening remarks, addresses itself to those values it is the object of our political societies to promote: health, wealth, and happiness, via the hearts of men and nations to the end that war to attain them becomes unnecessary. If the stones slip, we must try and try again.

The Clerk read as follows:

Provided further, That no part of any appropriation contained in this act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of 5,000 pounds net but not exceeding 9,000 pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 9, after line 9, add the following: "*Provided*, That no part of the funds herein appropriated shall be available for expenditure so long as the funds heretofore appropriated for such purposes and unexpended by the Mutual Security Administration exceed \$3 billion."

Mr. PASSMAN. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill and that it attempts to reappropriate money previously appropriated.

The CHAIRMAN. Does the gentleman wish to be heard on the point of order?

Mr. PASSMAN. I am ready for a ruling, sir.

The CHAIRMAN. As the Chair understands it, the amendment provides a very definite limitation to this appropriation. In the opinion of the Chair it is merely a limitation and therefore overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I repeat to the membership that the statements of the hearings, the statements of the report, the statements of the report of the Committee on Foreign Affairs, and all of the debate sustain the fact that this Congress cannot tell how much money this foreign-aid group has. You cannot tell how much has been obligated

or committed or even reserved, or as some express it, how much has been obligated and deobligated, obligated again and again deobligated, as many as seven times.

In the past, each and every year, we have given to foreign aid the total amount of what the total program would have been if they had done all of it. As a result, they have this carryover fund of approximately \$8 billion.

Their own testimony shows that as of this date they can say they will not carry out a great many things for which they got this other money. Estimates by this committee—and I sympathize with them because I tried to get some firm figures out of mutual security, for a special committee that I have—but the estimates as to what they have carried over to which they have tied strings, in order to try to ask for new money, run from \$6 to \$8 billion.

Mr. Chairman, while I personally expect to vote against any additional funds, my amendment merely says this: It merely provides that you carry out the President's commitment; that you carry out the authorization that we passed last week from the Committee on Foreign Affairs; that you carry out the programs in this appropriation bill. But until that \$6 or \$8 billion they already have is used to the extent of reducing the carryover down to \$3 billion, they shall not use this money in this bill.

You can carry out the Asian program; you can do everything that is in the bill. But use your old money until you get down to at least \$3 billion. Now, if that is not sound, I do not know what sound is. Such a course will save money, as much as is in this bill, but you do not jeopardize the next year's operations in the least.

I hope the amendment will be adopted.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us be realistic. I respect my distinguished colleague from Mississippi [Mr. WHITTEN]. But if you want to kill the program, let us kill it in the right way. Let us bring a bill in which says that effective as of this date there shall be no further foreign-aid program. I do not believe in trying to kill it indirectly, as proposed by this amendment.

I want to say this to the Committee. I agreed in the beginning to be fair and impartial in conducting the hearings and in defending the bill on the floor of the House. I think the Committee has gone just as far as it can without actually crippling this bill.

It was the Congress that authorized section 110 of Public Law 778 permitting reservations. And if you will refer to the hearings you will discover that there is only \$62½ million of unobligated funds being carried over. All of the other amounts have either been reserved or they have been obligated.

It is not an easy task to oppose the amendment of my friend from Mississippi. But I do plead with this Committee to vote down this amendment. This is not the way to kill the foreign-aid bill. If the gentleman wishes to bring in a bill directly through the legislative committee, that would be a different matter.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I would be very happy to yield to the gentleman from Mississippi.

Mr. WHITTEN. By reducing the budget balances to \$3 billion, I cannot see that this would kill this bill. The gentleman has spent many weeks trying to pinpoint how much they had, and here they try to tie strings on it at the last minute. The minute they use the funds to carry out all their obligations, the minute it gets down to \$3 billion in the bank, then they can use the funds in this bill. Until they are down to \$3 billion they do not use these new funds; but if they are, in all frankness, they may use this money.

Mr. PASSMAN. The gentleman from Mississippi is a very able member of the Agricultural Appropriations Subcommittee. That is not the way he operates that subcommittee. He knows as well as I do that there are long lead times on many of these items and it is necessary to make these commitments some 3 or 4 years in advance. We have had only \$62,500,000 unobligated. The remainder of the money has been either reserved or obligated. The committee took the \$420 million in controversy out of the bill.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. WILLIAMS of Mississippi. What does the gentleman mean by the reserved money? Is that obligated money or is it unobligated?

Mr. PASSMAN. That is a matter of interpretation. Under Public Law 778, section 110, reservations are considered to be commitments.

Mr. WILLIAMS of Mississippi. Just what does it mean?

Mr. PASSMAN. It simply means it has been reserved for some program this Government has committed itself to carry out.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. TABER. The effect of this amendment would be that none of the programs in connection with the Asian picture could be moved on as is necessary if we are to maintain the position of the free nations over on that side of the world. There are some of those things in connection with supplying things to the military in Europe that could be operated, but on those broad programs the other way it would be impossible.

Mr. WHITTEN. May I point out to my friend from New York, that under the present law this foreign-aid group has the right to deauthorize, to decommit, to deobligate, and to shift funds. The very debate itself shows that the committee has seen case after case of it. There is absolutely no restriction on the money they now have, being used to meet the purposes of this bill.

Mr. PASSMAN. Let me say to the gentleman from Mississippi he has made a very good case to the American people. I am on his side as it pertains to agriculture. But the gentleman knows as well as I do that a good many of these

funds are committed for very definite programs. Many of them are 70 percent or 80 percent completed. When this committee found they had very large unobligated balances, we by unanimous vote declined to allow \$420 million. As far as we could determine, the other funds were reserved or obligated. I think the gentleman understands that. I do not wish to argue with the gentleman, because I think he is in sympathy with my views.

Mr. WHITTEN. May I read the amendment again?

Mr. PASSMAN. I am familiar with the amendment.

Mr. WHITTEN. If the six or eight billion dollars is used up for all these things to which the gentleman refers, if they have only \$3 billion left, then the funds in this bill would become available.

Mr. PASSMAN. The gentleman from Mississippi knows as well as he knows his name is JAMIE WHITTEN that these funds are obligated. I do not know why he wants to confuse the issue. It is all right to be against the bill. But if you are going to carry this program out on an orderly basis then this amendment should be voted down.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for an unanimous-consent request?

Mr. VORYS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. VORYS. Mr. Chairman, we have spent too much time today on the hole in the doughnut and not enough time on the doughnut. We have talked about the \$650 million that is out of this bill and not the dreadfully critical, imperative importance of the \$2.7 billions that is left in there. We have criticized some of the bookkeeping. I have joined in this criticism. We have not said enough about the enormous importance to the security of the United States of what is left in here, and of this whole program that has been going on. This amendment will work simply to wreck the future program because if it passes, you have to stand still until you back up, and you cannot do that very well. It will mean, for instance, that the aid which Korea and Formosa and Vietnam need in order to keep their heads above water in an immediate struggle with communism—those countries will go under. It means that Pakistan, Greece, and Turkey, to give you a few examples, will not get the things that they need in order to stand up in this struggle in a cold war, which is a very warm cold war in many places. We have forgotten today some of the enormous results that have come from this program through the years. Through this program we have not had a war. Europe has recovered. There was a time when we thought Greece and Turkey would be

overrun. They are not overrun. There was a time when we thought that Formosa was going under, but it has not gone under; when we thought South Vietnam was going under, but it has not gone under.

These are some of the results of this program. I could mention many others, but I want to call to the attention of my brethren from the agricultural areas one thing that has happened as a part of our foreign-aid program. I have been trying through the afternoon to get the most up-to-date figures that I could on the total amount for all agricultural products financed through Government aid since the end of World War II.

The total is made up as follows:

Lend-lease.....	\$691,000,000
Post-UNRRA and interim aid.....	1,628,000,000
ECA-MSA and other economic and technical assistance.....	5,536,000,000
Civilian supply (distributed by the Army).....	3,250,000,000
Department of Agriculture donations.....	148,000,000
Total.....	11,253,000,000

These figures are from a table entitled "United States Government Grants, July 1, 1945–December 31, 1954." Therefore, the above figures would not include the last 6 months when sales would have been made under Public Law 480, by FOA.

A footnote to this table states that the \$11,253 million is free alongside ship cost—f. a. s.—and to get the actual cost to the Government, 18 percent should be added to this figure. It would, therefore, bring the figure up to \$13.3 billion actual cost to the Government.

That gives you an idea of the extent to which this foreign-aid program has been an agricultural support program for United States agriculture.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. Mr. Chairman, I decline to yield. We have heard from the gentleman for 25 minutes, and I just want the members of the committee to hear me for 5 minutes.

Mr. Chairman, what this amendment does is to attempt to respend money that has already been programmed for spending and that is going to be spent for something already planned. It would preclude any ordering of these long lead-time items which are of such vast and critical importance in our military buildup. This military program, as Admiral Radford has said, is part and parcel of our own security.* Insofar as American economy is concerned, this mutual security program amounts to this: It costs us \$5,900 to have an American man in service overseas and that is without a gun in his hand. This foreign-aid program costs \$747 per soldier for the forces that are placed where our Joint Chiefs say men should be placed in the interest of our common defense. That is how much this program costs per year to have a man there with a weapon in his hand. So when you want to talk about economy in our national security, remember you get a man in place for \$747 per year with this program, with a weapon in his hand, as op-

posed to moving out an American and having him cost us \$5,900 before he has a gun in his hand. I do not want Americans to have to do all of the fighting for the cause of freedom all over the world, and that is why I am for this program and opposed to this devastatingly crippling amendment.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. WHITTEN. I would like to point out that this problem of trying to handle some individual action as something separate, we have given through foreign aid many millions in American commodities. What we do not realize today is, that with foreign aid we put that same production in foreign commodities, and hold our commodities off world markets, and then turn around and give them more aid through foreign aid.

Mr. WILLIAMS of Mississippi. I thank the gentleman. I agree thoroughly with him. We are subsidizing our competitors. That is not a good business practice, it seems to me.

I always dislike to follow my good friend from Ohio [Mr. VORVY] who seems to be so sincerely dedicated to the proposition that the fruits of American labor belong to everybody but Americans. He makes such a pretty and high sounding argument in favor of every country but ours that I am somewhat embarrassed by taking issue with him.

However, I am one of those who is dedicated to the idea that the American people have a right to keep what they make, and not to throw it all over the world. The power to tax and to appropriate public money is, in my opinion, not to be taken lightly. It is, perhaps, our most serious responsibility as Members of this body, and we should exercise this power with the utmost discretion.

I remind you also that at the present time the Committee on Public Works is in the midst of a prolonged debate over whether or not we are going to raise additional revenue with which to finance our highway program. Why is that argument not ever brought up when we are taxing the American people to throw it away overseas? How can we justify special taxes for building highways for Americans, when we build highways for everybody all over the world without imposing special taxes?

The gentleman from Mississippi [Mr. WHITTEN] has offered an amendment which makes plenty of sense to me. As I understand his amendment, it says that they will spend the money already appropriated, which is not obligated and which is expended, and when that balance gets down to \$300 million, the funds in this bill will be released. How can that hurt our program? How can that kill this bill?

It is time to consider—for a change—the plight of the long-suffering Americans who pay through the nose in taxes for these international joy rides.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WILLIAMS] has expired.

The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I yield my 2 minutes to the hole in the doughnut, referred to by the gentleman from Ohio [Mr. VORVY].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 50, noes 139.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I wonder how many Members of the House know that this program does not cost the citizens of this country anything? I should like to read to you from page 13 of the hearings. The gentleman from Kentucky [Mr. NATCHER] addressed a question to the Secretary of State, Mr. John Foster Dulles. He asked this question:

Assuming, Mr. Secretary, that a billion dollars was appropriated for mutual security, what proportionate part of that money remains in the United States and what proportionate part is received by citizens of the United States?

Secretary Dulles said:

Every dollar of that billion dollars is directly and immediately, or indirectly, spent in the United States—every dollar.

And that second "every dollar" is his emphasis, not mine.

The industries of the United States and the people who work in the United States in those industries are profiting very greatly by this; because, as I say, the dollars are spent here.

So this does not cost you anything. You are just appropriating money to be spent right here in the United States, according to that great Secretary of State, John Foster (Acheson) Dulles.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. DIES. In other words, the underlying philosophy is to borrow money, pass it on to our great grandchildren so as to increase purchasing power in our enlightened and unselfish generation.

Mr. GROSS. That seems to be the philosophy of some of our enlightened leaders.

Mr. DIES. May I compliment the gentleman upon the very valuable work he does on the floor of the Congress, the tireless effort he makes in finding out the facts.

Mr. GROSS. I thank the gentleman. But let us turn to page 83 of the hearings and we get a little different slant on this thing from Mr. Struve Hensel, an Assistant Secretary in the Defense Department. He does not quite agree with Mr. Dulles. He says that, for instance, under "infrastructure"—that European-

coined, imported word that has crept into legal usage here—we do not get all our dollars back on infrastructure, or spending on International Military Headquarters.

Elsewhere in the testimony Mr. Hensel indicates that we do not get it all back on offshore procurement either.

He tells us elsewhere in the hearings that he saved some plants over in Italy from unemployment. He said 1,200 workers were threatened with being thrown out of work in one Italian plant so he rushed some money in and saved the situation.

I wonder how fast he would rush some offshore procurement money into the Third District of Iowa if some factory was being faced with a shut down?

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to my friend from Minnesota.

Mr. WIER. I join with the gentleman from Texas in complimenting the gentleman from Iowa for the splendid record he has made. But let me further inform the gentleman that all over these United States Ordnance has closed plant after plant adding to the unemployment rolls of this country, and has set up the same plants with the same hardware all over this world. Certainly we are not getting any of that employment.

Mr. FULTON. Mr. Chairman, will the gentleman yield right on that subject?

Mr. GROSS. I cannot yield at this time; I am sorry.

Mr. Chairman, this bill comes on the floor today attended with a great deal of argument over the meaning of "reserved funds." I have had a difficult job trying to find out just what this word "reservation" means.

Let us go back to the committee report of a year ago when the gentleman from New York [Mr. TABER] was chairman of the Appropriations Committee; let us go back to that report and read a few sentences from it. On page 6 of that report you will find this statement:

The Departments of the Army and Air Force are carrying, in apparently what amounts to memorandum form, so-called "equity" accounts.

And that word "equity" is in quotation marks. Last year it was "equity accounts." This year it is "reservation accounts," or just "reservations."

Let us see what the committee had to say last year about this matter of June buying, rushing out to dump money before the end of the fiscal year. The report says:

The finger points clearly to various forms of "June buying" to get rid of "hot money" as basis for support of 1955 requests, a practice long condemned by the committee and on which, as late as April 26, the Director of the Budget issued a directive to agencies cautioning against such practice late in the fiscal year.

That is a scorching denunciation of Foreign Operations Administrator Stassen. A year ago he was doing the same thing that was attempted this year.

The CHAIRMAN. The time of the gentlemen from Iowa has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. It was not sufficient to warn Stassen last year that he was dealing in hot money, getting this money committed.

Let us go on:

With the knowledge in FOA that available administrative funds were not all planned for use, there being a forecasted balance of about \$1.2 million, the committee has little choice but to conclude that this was a flagrant and deliberate case of taking advantage of unused funds before midnight of June 30. It is another of those cases where not only the Treasury but the confidence so essential to our whole process of handling public funds suffers.

Mr. Chairman, in spite of that denunciation and warning a year ago, they came back and repeated the performance again this year. I say to you it is time that we boil this thing down to essentials, it is time that we cut this spending down. Where these administration officials failed to heed last year's warning the committee should have cut out every single dime of new money in this bill.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. HALEY. This is not the only agency, however, that does that. In the Government that is pretty much the accepted practice. The boys in all the agencies have to get rid of the money they have not expended.

Mr. GROSS. But we happen to be dealing with this bill today and the same people a year ago were thumbing their noses at us. They are right back again this year doing the same thing. When is this process going to be halted? Apparently they cannot understand the English language as set forth in this report of July 1954. The only thing to do this year is to deny them this new money.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. DIES. The gentleman from Mississippi raised a very interesting question a while ago when he pointed out that in the new highway bill it is insisted that we ought to impose a tax in order to raise the money. With that principle I am in agreement. But he asks, Why should that not be required in this foreign giveaway bill? Now, why do not some of the proponents offer additional facts or some justification so that our children will not have to pay for it, to show our good faith in handling out largesses and bounties. Would that not be a wonderful opportunity on our part?

Mr. GROSS. The people who are demanding this program have not the courage to face up to the tax issue and raise the money now while it is being tossed out all over the world. I agree wholeheartedly with the gentleman. The American people would demand the answer to a lot of questions if they had to hand over \$3½ billion in taxes next year to provide just the new money for foreigners.

Now, turning to page 545 of the hearings of the committee on this bill, in dealing with the United Nations Technical Assistance fund, what did the gentleman from New York [Mr. TABER] say? He stated:

I tell you what I am going to do. I am going to recommend that the committee send a certified public accountant up to examine the whole setup because from what you are giving us you cannot tell a bloming thing about it. I do not see how we can make an intelligent appropriation without having an examination of your accounts to find out just what they mean, and have it in such a way that we can understand it.

We take an oath to support and defend the Constitution of the United States. That does not mean we can bring in appropriations for things we cannot get a picture of and cannot find a way to explain. How can we go out on the floor and explain a picture of that kind to the House so they would have any idea of what they were doing? It is our duty when we go out there to know something about it. Am I wrong?

A few months ago the House adopted that provision of the bill to provide \$24 million for the United Nations Technical Assistance fund despite the fact that, so far as I can read these hearings, proper information was ever given to the committee to warrant appropriation of this money. That is the kind of a bill you are voting on here this afternoon. I have offered no amendment to it, because it would have been a sheer waste of effort. I shall vote against the bill because it is predicated neither on reason or common sense.

The Clerk read as follows:

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was listening carefully to the words of the distinguished gentleman from Minnesota [Mr. Judd] when he was talking about this new problem of redefection with reference to an attempt by satellite states to bring back to Soviet Russia and behind the Iron Curtain refugees who are now on our side. Now, I have never before in my appearance down here attempted to read or presumed to read to the House any written statement, but this deals, as you can surmise, with a subject of such acute delicacy that I am going to read these paragraphs rather than attempt to extemporize upon such a subject. And it deals with such a matter that I think you should listen to.

By the way, this deals with newspaper ads that have appeared in the Washington, Chicago, far West, Boston, and New York papers within the last several weeks, and I understand that a number of ads placed by certain satellite embassies in Washington have anticipated this and similar debates.

For a considerable length of time I have been informed by the Slovak political exiles grouped in the National Committee for Liberation of Slovakia that an American political defeat appears to be building up among thousands of refugees from the

Soviet Union and satellite states, and that a wave of political "redefection" of the anti-Communist refugees is in the making, which, if not checked in time, will portend our own failure in the cold war.

To make this American political defeat comprehensible, I wish to inform the distinguished Members of the House about the facts as they were reported to me.

Now, with this debate or meeting approaching at the summit, I emphasize this for your interest to indicate the state of mind with which certain of the consultants are approaching this summit meeting, and these things are going on today, last night, and tomorrow.

Much material on these secret activities already has been received. The European head of this counteraction organization has an abundance of documented material to show us about this new Communist movement here and in western Europe. This is evidence of clear collaboration of American Communists in these great American cities.

This is no accident. This is no mere gesture. This is a tremendous political weapon against the United States.

Unfortunately, some of these funds in this bill have been cut, funds which have to do with the Intergovernmental Committee on European Migration of which my friend from Minnesota spoke. He spoke of Austria. There you have a condition of near panic, of uncertainty existing today. The same exists in all of these other satellite areas. The Reds are striking while this iron is hot, while we want to play footsie at the summit.

At first, the Slovak exiles reported about the activities of a secret Communist organization called HEPND which means movement of the exiles for the return home. Existence of this new Communist organization and its secret activities was confirmed in reports from New York, Chicago, Cleveland, and other large cities. Much material on these secret activities of HEPND already has been received from Dr. Stefan G. Lukats, European head of the office of the National Committee for the Liberation of Slovakia, while the evidence concerning the collaboration of our American Communists in cities like Chicago was documented with material received by Dr. Michael Zibrin in Chicago—and by Czech exiles grouped around the anti-Communist monthly Bohemia published in Munich, Germany.

Besides the clandestine operations of the HEPND, the Communist Government of Czechoslovakia, according to Col. Jan Bukar, underground intelligence expert, currently stationed in Washington, has recruited approximately 1,000 new Communist spies and agents in order to help achieve the American defeat in the cold war.

According to all these reports, hundreds of refugees in Austria, Germany, and even in Italy are receiving letters asking them to join the secret action or movement of the exiles for the return home. Since all letters have the same contents, it is apparent that this is a centrally organized action of the Communist underground in the free world, and since the letters, as documented by Dr. Lukats and Dr. Zibrin, are coming

from such cities as Chicago, New York, and Cleveland, it is certain that the United States of America is a part of that Communist underground.

With this action the Communists try to make it appear that since it is directed towards the refugees, it is originated by the refugees themselves.

The addresses of the recipients are precise, showing that they are being obtained from a central planning spot within that Communist underground, a spot which undoubtedly has most reliable information. These letters are reaching even the United States Army labor battalions, which, it is known, are recruited from the nationals of the satellite states. Such labor units are in Kaiserslautern, Ingolstadt, and elsewhere; but these letters are reaching the refugees also in their private homes and in the refugee camps.

The aim of this mass movement is first, to create interest in the minds of the exiles for a return home; second, to indicate how to register for a return home by simultaneously promising loyalty to the Reds.

The Communists evidently are capitalizing on the prolonged stay of the refugees in Germany, Austria, and Italy due to the slowness of their processing in reaching America and other overseas countries.

How this clandestine Communist campaign affected the Czech and Slovak refugees up to now is seen from the newest report which I received according to which, during the first half of June from Germany alone, returned to Communist Czechoslovakia 37 refugees, 36 Czechs and 1 Slovak.

The number of those who already returned is perhaps not appalling. But if we imagine that every fugitive who returned to Communist-oppressed Czechoslovakia is a resounding moral and political victory for communism, and by the same token a great defeat for ourselves—then we have to think what to do about it. Every refugee who returns to Communist Czechoslovakia is given the platform of a press conference to attack the West, particularly America, and to refute the hopes of the oppressed inside the Soviet states for a liberation.

Thus, the effects of millions of dollars which we poured into the Voice of America program and other psychological warfare media to widen the gap between the Red masters and their oppressed victims are canceled out by the flow of repentant and redefected refugees who are turned into the most successful tool of Communist propaganda in the cold war.

The resistance movements behind the Iron Curtain and the morale of all our potential friends there is first to suffer. Their hope for ultimate release and liberation from the greatest prison of all ages becomes dim, because their potential liberators are discredited.

Why? Caught between miserable living conditions in the camps and near-hopeless prospects to reach America or other overseas countries, and between temptations of a sweet Communist campaign for a return home, many refugees gamble on the promises of Communist blandishments and are returning home.

To make this return more attractive, the President of Communist Czechoslovakia, Antonin Zapotocky, issued on May 9, 1955, an amnesty, while on June 2, 1955, a special reception committee formed in Prague, headed by Dr. Miroslav Klinger and assisted by practically all political parties in Czechoslovakia to help the redefected fugitives. In addition, the Communist broadcast is daily asking the refugees to return without fear, and in Germany a repatriation commission is becoming very active. To extend this movement for return home to all parts of the free world, and to make it known to all former Czechoslovak citizens, the Communist embassies are placing ads in the newspapers of the countries to which they were accredited, and this explains why last week all Washington and other American newspapers carried such ads to encourage refugees here to return to the homeland. In this respect it was unfortunate when some spokesmen of the Council for Free Czechoslovakia branded this Communist campaign as applying more to "the common man than to political refugees." In our fight against communism the common man and the political refugee is of equal value because communism is not concerned about 1 or 2 political refugees but principally about the masses of men, which as we know are composed of common men.

Because of this cleverly conducted campaign, Dr. Miroslav Klinger, head of the reception committee in Prague, declared only recently that his committee is working on some 200 new applications for return and that he expects many more to come.

Simultaneously with the Czechoslovak Communist campaign for the return of refugees is running a similar campaign for the return of Hungarian, Polish, Ukrainian, and Russian refugees, as seen from an article in the New York Times, April 26, 1955.

In view of this disastrous situation, may I ask whether it is not too late for massive countermeasures to offset this redefection campaign? Shall we let communism have its triumph without even lifting our fingers to save at least part of our tremendous investments in psychological warfare? Shall we allow the withering away of a resistance movement and the moral defeat of all our friends behind the Iron Curtain?

In my view it would be un-American if we would not try at least to avert this Communist victory.

Therefore, I propose a challenge to President Eisenhower to speak up on behalf of the administration what it intends to do in this serious situation which concerns not only the refugees but our own national goals.

I also propose a challenge to our psychological warfare authorities: What excuse they had to ignore this situation up to now and what do they intend to do?

I also will ask the President to immediately allocate necessary funds in order to meet the urgency of moral and material aid to the refugees.

This is my call for our political wisdom in order to defeat this most recent Communist trick.

(Mr. FLOOD asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word, in order to announce that it is the desire of the leadership on both sides to conclude this bill tonight. I thought the Members would like to know that in order that they may govern themselves accordingly in the matter of requesting additional time.

Mr. MEADER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to ask a question of the committee. I call the attention of the committee to the provision inserted in the authorization act, the Mutual Security Act of 1955, with respect to direct-forces support. I want to read this language, and then ask a question concerning the appropriations under that authorization:

The President may, notwithstanding the provisions of section 501, consolidate all or any part of appropriations made pursuant to this section with appropriations made pursuant to section 103. Programs authorized by this section may be administered in accordance with the provisions of chapter I or chapter III of this title.

For direct-forces support in the bill before us there is provided \$305 million. For military assistance there is provided \$705 million. That is a total of \$1,010,000,000 for the two sections which we gave the President authority to consolidate.

My question is, How much of the unexpended balances, the carryover, are in this pool which, according to the recent Mutual Security Authorization Act, we authorized the President to treat as one?

Mr. PASSMAN. Mr. Chairman, the total unexpended balances as of April 30 in this program are \$544 million for direct-forces support.

Mr. MEADER. And how much for military assistance?

Mr. PASSMAN. \$6,767,200,000.

Mr. MEADER. So, if you add the unexpended balances, the amount for military assistance to the six-hundred-million-odd dollars in direct forces support, you get well over \$7 billion or about \$7,300,000,000?

In other words, when we gave the President the authority in this recent authorization act to transfer funds from direct forces support purposes to military assistance and vice versa, we built up a pool well in excess of \$8 billion on which there is complete interchangeability. Am I correct in my understanding of the application of the law?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Minnesota.

Mr. JUDD. I think the gentleman is correct. The President issued an Executive order on the 9th of May of this year, which this language makes permanent, directing in substance that the Defense Department administer the program of direct forces support in con-

nection with the military assistance program under chapter I. That is, it is authorized and expected that hereafter direct-forces support will be handled by the Pentagon instead of by the Foreign Operations Administration. Such support has to do only with those commodities and supplies that wind up in the hands of soldiers. After years of separate operation, it was considered advisable, certainly more workable, to put direct-forces support and the furnishing of military hardware and training together, because they both operate immediately and directly to the end of building up the strength and efficiency and effectiveness of military forces.

Mr. MEADER. May I ask the gentleman, if that is the case, why we did not come in here and put them all together in one appropriation rather than set up two separate appropriations, and then provide that the funds be transferred from one to the other?

Mr. JUDD. In the hearings before the Committee on Foreign Affairs that was discussed, but because the President had made this decision only in May, it seemed advisable this year to go along with the same pattern we had followed heretofore, with the understanding or rather, expectation that next year they will be put in one package.

Mr. MEADER. Can the gentleman answer whether or not the \$180 million provided for direct-forces support to Korea could be transferred from that fund and Korea get nothing for that purpose and it all be spent by Yugoslavia?

Mr. JUDD. No, not all of it, but the President has authority under the basic law to make transfers between geographical areas as well as between programs. A certain percentage could be transferred from the Far East to Europe, or Korea, to Yugoslavia, or vice versa.

Mr. MEADER. May I ask the gentleman from Louisiana one further question: Was he clear that I was asking whether or not the language I have referred to in regard to transferability applied only to the appropriation of approximately \$1 billion in the two items in this bill, or whether it would apply in his opinion to unexpended balances which are carried over?

Mr. PASSMAN. I think it would be up to the legislative committee to interpret that language, or the gentleman could interpret it himself. We are dealing only with the appropriation and not the language of the authorizing legislation.

Mr. MEADER. The gentleman would prefer not to express an opinion as to whether or not this transferability provision is retroactive as to carryover funds?

Mr. PASSMAN. Inasmuch as it deals with the authorizing legislation I would rather the gentleman would interpret it himself.

Mr. JUDD. It is my understanding that it is retroactive and includes all of the funds remaining in the two appropriations.

The Clerk read as follows:

SEC. 105. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this or any other act shall be used to make pay-

ments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 10, line 15, change the period to a semicolon and add the following: "Nor shall any of these funds be used for technical or other assistance for agricultural production of commodities exported by such country."

Mr. PASSMAN. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill. It would impose additional duties, and it is not within the scope of the bill being considered.

The CHAIRMAN. The Chair does not agree with the gentleman. The Chair firmly feels that this is a limitation within the rules. Therefore, the Chair overrules the point of order.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I regret to take the floor again. I feel my friend from Louisiana has done a fine job under all the circumstances in holding the amount in the bill down. I do not have his position of responsibility in handling the bill on the floor. I feel deeply if we do not stop further increases altogether. We are ruining ourselves economically. We, in this country, have about \$4 billion worth of farm commodities on which we pay \$700,000 or more storage every day. We have those commodities because we would not offer them for sale competitively but have held them off the world markets, letting those markets go to foreign countries. In this bill there are millions of dollars for Central America, and Central America has been increasing its production of the very commodities that we are having trouble with in the United States, as much as sixfold in the last 5 years. This situation of spending our money producing in foreign countries farm commodities for them to export has reached the point where, and let me read what our President said in his message only a short time ago:

In this wealthiest of nations, where per capita income is the highest in the world, more than one-fourth of the families who live on American farms still have a cash income of less than \$1,000 a year. They neither share fully in our economic and social progress nor contribute as much as they would like and can contribute to the Nation's production of goods and services.

Mr. Chairman, I have just completed days of hearings on your President's message to help 1,500,000 American farmers making a gross income of less than \$1,000 a year. What does this amendment of mine do? It says that we will not use American dollars to help promote agricultural commodities in foreign countries for export. If you expect me to come in next week, and as I shall, trying to help the small American farmers, 1,500,000 of them making less than \$1,000 a year, will you not help me and the

farmers themselves by putting this restriction on these funds saying that you are not going to take those dollars to increase exports from those countries that are now responsible largely for the \$4 billion worth of commodities we have on hand? I am surprised at this subcommittee headed by my friend and the fine members of that subcommittee. Of course, I know that they have a very unpleasant task to do. I cannot conceive of them opposing this amendment saying that they are for these 1,500,000 small farmers who your President says are making less than \$1,000 a year.

Let me present to you what our committee investigators have found:

INTERIM REPORT ON INCREASES IN FOREIGN AGRICULTURAL PRODUCTION

Recognizing these facts this committee at my urging asked for an investigation of (1) increased foreign agricultural production in the past 5 years, (2) United States interests furnishing financial support to foreign agricultural production, (3) special tax concessions on income from production in other countries, (4) financial interests of members of advisory groups, (5) foreign-aid funds used to encourage agricultural production, and (6) special concessions of foreign countries to encourage exports.

We have just received a special interim report on this study, which I wish to read into the record at this point:

"POINT I

"The increase in agricultural production in foreign countries during the past 5 years, with particular reference to the basic commodities receiving United States price support.

"Twenty-eight countries which showed substantial increases in production of one or more of the price-supported basic commodities (cotton, corn, wheat, peanuts, rice, and tobacco) were selected for special study. An analysis sheet for each country (as well as for the United States and the world) was prepared showing production, acreage, yield per acre, and exports for each commodity for the following periods:

"Five-year averages 1935-36 to 1939-40 and 1945-46 to 1949-50.

"Annual data for the years 1950-51 to 1954-55, inclusive.

"The percentage change between 1950-51 and 1954-55.

"Estimates for 1955-56, were available.

"Data were assembled by the appropriate divisions of the Foreign Agriculture Service. Some test checks of the accuracy of the figures have been made. A number of meetings have been held with officials of various divisions of the Department of Agriculture and with trade associations to discuss increased production and trends in foreign countries.

"For this report, analysis sheets for five of the countries, Mexico, Iran, Turkey, India, and Pakistan, were selected for inclusion. They appear as exhibits 1 through 5 at the end of the report. (Analysis sheets on the other 23 countries are available at the office of the director of the staff.)

"Mexico was included because of the substantial increases in cotton and other agricultural products in that country in recent years, much of which may be attributed to private interests in the United States. Iran, Turkey, India, and Pakistan were included because they also have sharply increased production of cotton and other crops in recent years while receiving large foreign-aid grants from the United States.

"A detailed analysis of the foreign-aid program in Iran appears in this report (see pt. 5) and similar data for Turkey, India, and Pakistan will be included in the final report.

"A few examples of preliminary findings to date are given below:

"Cotton

"The greatest increases in production and the greatest potentials for future competition with the United States are Mexico and the Middle East countries of Turkey, Syria, Iran, Iraq.

"In Mexico cotton production has increased from a prewar 5-year average of 334,000 bales to a postwar 5-year average of 577,000 bales and to 1,780,000 bales in the crop year 1954-55. Cotton exports have increased for the same periods from 105,000 to 343,000 to 1,150,000 bales.

"It is reported that Mexico started its program for expansion in irrigation facilities in 1947, and is proceeding approximately on schedule. It is anticipated that the program will be completed in 2 or 3 years, at which time the limit of appreciable expansion will be reached. The Yaqui River project is expected to increase irrigation substantially in the northwestern section."

"In the Middle Eastern countries of Turkey, Syria, Iran, and Iraq cotton production decreased from a prewar 5-year average of 459,000 bales to a postwar 5-year average of 390,000 bales and then increased to 1,260,000 bales in the crop year 1954-55. Cotton exports for the same periods decreased from 157,000 to 85,000 and then increased to 684,000 bales.

"It is believed that there will be continued increases in cotton production in the Middle East.

"Cotton production in Nicaragua, El Salvador, and Guatemala has increased steadily from approximately 50,000 bales 4 years ago to an estimated 300,000 bales in 1954-55. A further increase of about 100,000 bales is expected in 1955-56, and potential annual production estimates after several more years of development range from 700,000 to 900,000 bales.

"In Peru cotton production has increased 25 percent during the past 5 years to 505,000 bales in 1954-55. During the same period exports, which are a large proportion of production, increased 25 percent. However, it is reported the Peruvian Government holds cotton and sugar production (the most profitable crops) under strict control in order to insure the production of adequate food crops.

"In Argentina cotton production has been fairly stable over the past 10 years, the 1954-55 crop being 500,000 bales. Exports normally amount to about 40 percent of production. It is anticipated there will be no expansion during the next 5 or 10 years although there is a potential for large increases.

"In Brazil cotton production has been stable for the last 5 years. The 1954-55 crop was 1,600,000 bales, some 350,000 bales less than the 5-year prewar average. Exports have borne little relation to production. It has been reported that Brazil has a policy of encouragement of industry which acts as a deterrent to expansion of agriculture and therefore no significant change is anticipated in cotton production.

"In Egypt cotton production has been fairly stable for the past 10 years, the highest yield being 2,047,000 bales in 1952-53. The 1954-55 crop was 1,598,000 bales. A large proportion of the production is exported. The staff has been informed that the Sudan has a potentiality for expansion if wells and irrigation are increased. However, the necessary machinery and equipment are expensive and no substantial increase in production is anticipated in the near future. It has been reported that German interests are considering the investment of capital in this project.

"In other African countries cotton production has been small and fairly stable. The staff has been informed that there is little chance for substantial expansion.

"In India during the past 10 years there has been a gradual increase in the production of cotton, the 1954-55 crop being 3,900,000 bales. Exports are negligible. It has been reported that some 600,000 bales of American-type cotton are imported, principally from East Africa as the price has been lower than the United States price, the result being that the United States is a residual supplier.

"In Pakistan cotton production has been stable for the past 5 years, the 1954-55 crop being 1,245,000 bales. During the last 4 years, a large proportion of the production was exported but exports for the current year were only 630,000 bales. The staff has been informed that although increased acreages are needed for production of food products for home consumption it is planned to maintain or expand exports of cotton through increased irrigation and improved cultural practices.

"The production of cotton is of minor importance in friendly countries other than those discussed above.

"The following information on the world situation with respect to synthetic fibers was received. World production last year was the equivalent of approximately 11 million bales of cotton and this year is expected to be the equivalent of about 14 million bales; United States production of synthetics has not changed substantially during the last 4 years. Cotton has held its own on a per capita basis; the price of cotton has a definite effect on rayon production and consumption, but the recent expansion of the other higher priced synthetic fibers such as nylon, orlon, and dacron has been largely independent of the price of cotton.

"Wheat

"World wheat production increased from an annual average of 6 billion bushels in prewar years to 6.6 billion bushels in 1950-51. It continued to rise to 7.4 billion bushels in 1952-53 and 7.3 billion bushels in 1953-54. Lower yields and a slightly lower acreage resulted in somewhat less wheat production or 6.8 billion bushels in 1954-55.

"As compared with the 5-year prewar average world wheat acreage was 9 percent higher and production was 14 percent higher in 1954-55.

"In the United States with acreage allotments and marketing quotas in effect farmers harvested 3 million or around 6 percent fewer acres of wheat in 1954 than in 1935 to 1939. With higher acre yields they produced around 211 million bushels or 28 percent more wheat, however, in 1954 than in 1935-39.

"In the 3 other major wheat exporting countries—Canada, Argentina, and Australia—around 6 million fewer acres of wheat were harvested in 1954-55 than in the 5 prewar years 1935-36 to 1939-40. Higher acre yields resulted in the production of about 37 million bushels or 5 percent more wheat in these countries in 1954-55, however, than was produced in 1935-36 to 1939-40.

"These acreage and production data indicate that the relatively high level of world wheat production in 1954-55 was not the result of expansion in the major wheat exporting countries."

"Sharp increases in wheat acreage and production have been recorded in a number of the European and Middle Eastern countries which have received substantial foreign-aid grants in recent years.

"France, although reducing slightly the acreage devoted to wheat in 1954 as compared with the 1935-39 average, produced over a third or 100 million bushels more wheat in 1954 than in the prewar years.

"Turkey has almost doubled her wheat acreage since the 1935-36 to 1939-40 average and more than doubled her total production in 1953-54. Unfavorable yields in 1954-55

resulted in a sharp drop in wheat production as compared with a year earlier yet it remained a third higher than in the prewar years.

"Greece although on a net import basis has increased her wheat acreage 20 percent and production by 50 percent as compared with prewar years.

"Most Latin American countries, as a part of their programs to increase home food production, have expanded their wheat acreage and production. The acreage in wheat in Mexico has increased 50 percent while production has more than doubled since the period 1935-36 to 1939-40. Although wheat is a minor crop in Peru the acreage has increased 50 percent and production has almost doubled as compared with prewar years.

"In the interests of maintaining self-sufficiency wheat production is expected to continue at recent high levels in most countries which are now on a net import basis. No definite trends are in evidence in the more important foreign wheat exporting countries.

"World tobacco production increased from an annual average 6.5 billion pounds in the 1935-39 period to 7.8 billion pounds in 1954 or an increase of 20 percent. During this same period the world acreage devoted to tobacco production increased from 7.5 million acres to 8.6 million acres or an increase of 15 percent.

"United States production of tobacco increased from 1.5 billion pounds in the period 1935-39 to 2.2 billion pounds in 1954, an increase of 47 percent, in spite of the fact that the acreage devoted to tobacco in 1954 was slightly smaller than the 1935 to 1939 acreage.

"Canada and Southern Rhodesia are among the more important countries from the standpoint of tobacco production increases. In both of these countries the expansion has been encouraged by long-term contracts offered by British tobacco companies.

"Increases in acreage and production from 1935-39 to 1954 are as follows:

	Percent increase in acreage	Percent increase in production
Canada.....	91	135
Southern Rhodesia.....	250	360

"Japan has increased her tobacco acreage from 92,000 acres in 1935-39 to 172,000 acres in 1954, and from a production of 149 million pounds in the prewar years to 256 million pounds in 1954.

"Turkey has increased her production of tobacco sharply from 128 million pounds in the prewar years to 206 million pounds in 1954 and acreage from 194,000 acres to 323,000 acres during the same period.

"Italy also has increased both acreage and production of tobacco over 50 percent during the same period.

"Brazil, by far the largest tobacco producer in Latin America, has increased her tobacco acreage from 250,000 acres in 1935-39 to 430,000 acres in 1954. Tobacco production in Brazil increased from 203 million pounds a year in the 1935-39 period to 296 million pounds in 1954, an increase of 46 percent.

"Colombia almost doubled both tobacco acreage and production in the same period, and Mexico more than doubled her production, with about 50 percent increase in acreage.

"Tobacco production has declined in India, Pakistan, and Iran.

"Flue-cured tobacco usually accounts for about 80 percent of all United States exports. World production of this type of leaf has shown striking increases. The acreage of flue-cured tobacco in the major present and potential competing countries increased from 384,000 acres to 1,045,000 acres, 172 percent, between 1935-39 and 1954, and pro-

duction increased from 370,600,000 pounds to 986,100,000 pounds, 166 percent, during the same period.

"Tobacco production is expected to increase further in the sterling-area countries where British interests are stimulating increased production. Further increases in acre yields also are expected in most countries, especially in Latin America.

"Peanuts

"The principal peanut-growing countries of the world are India, China, French West Africa, Nigeria, and the United States. The major portion of world exports is made by the African countries and goes principally to Europe, France, and the United Kingdom.

"A significant distinction between peanuts and other United States price-supported crops is that peanuts produced in foreign countries compete with fats and oils such as cottonseed and soybean oil rather than peanuts as such. Exports of foreign countries are predominantly in the form of peanut oil or peanuts, shelled or unshelled, to be crushed into oil by the importing country. One exception to foreign exporting countries is Mexico, which has been exporting peanuts for edible use in small but steadily increasing quantities. The United States raises peanuts for domestic edible purposes, not for export. If the production exceeds local edible requirements such excess is either crushed for domestic consumption or exported for crushing.

"At present (May 1955) there is apparently no problem in connection with overproduction of peanuts in the United States. Not only have all peanut stocks held by the Commodity Credit Corporation been disposed of but Presidential Proclamation No. 3084, dated March 9, 1955, liberalized restrictions on imports. Further, recommendations have since been made to the President by the Tariff Commission that quota limitations on imports be removed through July 1955. Information has been received that difficulty is being encountered in locating peanuts of satisfactory quality for import.

"The United States does not generally import peanut oil but due to the 1954 drought some is being imported this year under an annual quota of 80 million pounds. The United States Department of Agriculture estimates that perhaps 40 million pounds will be imported by June 30, 1955.

"Corn and rice

"World production of both corn and rice have increased substantially since the pre-war years and since 1950-51. From 1950-51 to 1954-55 the world increase in corn production was 6 percent and the world increase in rice production was 13.5 percent. An analysis of the country-by-country trends in the production of these crops as well as a more comprehensive analysis of the increases in production of the other price-supported crops will be included in the final report."

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the third time the distinguished gentleman from Mississippi has attempted to destroy this bill by some amendment which would have just that effect. I am not going to express my personal feelings on this legislation. Rather I shall point out that, if this amendment should be adopted, the technical cooperation or the point 4 program will be destroyed. Make no mistake about that. How are you going to be able to determine what these nations receiving this aid are going to produce or what part will be for export and what part will be for domestic consumption.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I will yield to my friend.

Mr. WHITTEN. I want to point out that the amendment does say where those countries are exporting such commodities.

Mr. PASSMAN. May I say to the gentleman that, if he wants to kill the program, let him do it through the legislative committee.

Mr. Chairman, as I have said, I am not going to express my personal feelings on the overall program. I would be less than honest not to admit that you could not stop this program now without doing great damage. I was against the program in the beginning. I have voted against the program. I voted against the authorization bill the other day. But, inasmuch as this House worked its will and inasmuch as the other body said we must continue this program, of course, I am supporting the very minimum amount. We reported out a bill which was almost unanimous so far as the subcommittee was concerned.

Let me say for the record, I am going to vote for this appropriation bill if we have a rollcall vote. Otherwise, I would not be worthy of the honor of being a Member of Congress, having defended this bill in subcommittee, in the full committee and on the floor. We took out what we thought we could and brought out the very least amount possible to continue this program until such time as the Congress in its wisdom sees fit to discontinue it. I certainly hope the committee will vote down this amendment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. FORD. This amendment is a totally impractical amendment, from an administrative point of view.

Mr. PASSMAN. It certainly is.

Mr. FORD. The gentleman from Louisiana has done a very admirable job in defending the action of our subcommittee. I hope and trust that the House as a whole will understand his difficult position and support him, not only because of the good job he has done but because this amendment is totally and completely impractical.

Mr. PASSMAN. I hope the committee understands that.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. KEATING. I just want to add a word to what the gentleman from Michigan [Mr. FORD] has said. I know the views of the gentleman from Louisiana [Mr. PASSMAN] on the entire foreign-aid program, and while I have differed with him, I want to commend him for the manner in which he has defended this bill and has handled it on the floor. It would have been much easier for one with my views to have done it. He is deserving of our gratitude.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. FLOOD. I wanted to say exactly the same thing. I do not like the cuts. I do not like the European cut. I do not like the Asian cut, but I see the

gentleman's work as chairman of this subcommittee, and knowing his views, I would like the House to know that the gentleman from Louisiana [Mr. PASSMAN] is giving one of the most outstanding exhibitions of statesmanship that I have ever seen in this House.

Mr. PASSMAN. I thank the distinguished gentleman from Pennsylvania.

Mr. Chairman, I trust the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was rejected.

The Clerk read as follows:

SEC. 108. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. HAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAND:

Page 12, after line 10, insert the following:

"SEC. 109. No funds contained in this act shall be used to pay a contribution of the United States in excess of 33 1/3 percent of the budget of any United Nations organization for which the appropriation for the United States contribution is contained in this act."

And renumber the following sections.

Mr. PASSMAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. HAND. Mr. Chairman, I am perfectly conscious of the hour and I shall try to be as brief as possible. I think the amendment is good. It merely states that in these international undertakings under the United Nations we feel we should not be called upon to pay more than a reasonable amount, and it sets forth what that reasonable amount is— not more than one-third.

The gentleman from Louisiana has in the past opposed the Foreign Relief Act that is now before us. At the same time I think he is one who has consistently proposed and been in favor of that section of the bill which had to do with our participation with the United Nations in international activities. But I think he would agree with me that our participation should be a reasonable participation in any worldwide effort such as the United Nations undertakes for creating better conditions of peace and stability. So I want him to believe me when I say that in offering this amendment to limit our participation in the total cost to one-third, I do not want to cripple his program but only want to put it on a reasonable basis of limiting the amount we have to pay to a reasonable figure. In one of the United Nations subsidiary organizations we are paying 61 percent of the bill. In the Relief Works Agency program we are paying more than 60 percent of the bill.

Mr. Chairman, with respect to the Children's Fund, which I want to speak briefly about particularly, because obviously I am not opposed to that. I know it has done excellent work and it is the kind of work which appeals deeply to our humanitarian instincts. We are paying more than 60 percent of the entire cost of the program.

Let us consider for a moment what some of the other countries are paying as their share of this particular program. The Netherlands—and nobody would suggest that the Netherlands is not a prosperous, stable country; they are paying less than one-half of 1 percent.

Belgium, which before the program started was enjoying over a 100 percent of her prewar prosperity, pays one-half of 1 percent. I am sure the gentleman does not want us to go entirely on the theory that the other countries will pay what they wish and we will pick up the check for the balance. I think it is asking too much to ask us to carry two-thirds of the cost of these programs.

My amendment is one which offers to pay a reasonable amount, and it seems to me that the reasonable amount is not to exceed one-third. The amendment is fair, it does not curtail or cripple the program, but simply puts more sense into the responsibilities for the program as far as we are concerned.

I urge favorable consideration and hope you will adopt the amendment.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Does the gentleman from Louisiana withdraw his reservation of a point of order?

Mr. PASSMAN. I do, Mr. Chairman. Will the gentleman yield?

Mr. GARY. I yield.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. GAVIN. Mr. Chairman, I object.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. GARY. Mr. Chairman, the United States contributions to regular associate bodies of the United Nations and to specialized agencies are now limited by law to a maximum of one-third of the total assessments against all members.

The items that we are dealing with at the present time relate to voluntary programs where no nation can be forced to contribute but where each nation contribute according to its own desires.

There are a number of citizens organizations in the United States that are supporting these contributions, particularly to the Children's Fund.

I have here a chart. While it is true that the United States is contributing approximately 60 percent to UNICEF, this amount is dropping. It started at 70 percent; it has been gradually dropping until now it is 60 percent, and it is estimated that next year it will be less than 60 percent. That fund, however, constitutes only 30 percent of the total funds spent in UNICEF's work. When the United Nations goes into a country to spend these funds for the children it requires the country in which the work is done to contribute a part of the funds. When you consider these contributions, the contributions of the United States to the total funds for all these purposes is only 18 percent. In the parts of the world where the Children's Fund operates, the United States contributes \$8,300,000. Other governments contribute \$5,300,000. This is increased by \$32,500,000 by the recipient countries. Therefore, the United States contribution is 18 percent, other countries 12 percent, and the local contributions from the countries in which the funds are being spent amounts to \$32,500,000 or 70 percent. The overall total is \$46,100,000.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Connecticut.

Mr. MORANO. In the case of the United Nations technical-assistance program, is it not true that the local contributions amount to \$60 million, making our contribution actually only 17 percent?

Mr. GARY. That is absolutely correct. Our contribution to that fund is less than the United Nations.

Mr. MORANO. By 1 percent.

Mr. GARY. By 1 percent. It would appear from the report that you have before you that we have increased these technical-assistance funds, but that is not true. For example, the United Nations' program authorized an increase of \$7½ million for next year, but, as a matter of fact, the appropriation that we have made of \$24 million is for 18 months rather than a 12-month program. The reason for that is that at the present time the United Nations is operating on a calendar-year basis. The United States Government operates on a fiscal-year basis. Therefore, in order to get the 2 appropriation years com-

parable, the Appropriations Committee directed that this year the State Department bring in a request for 18 months, which is the request that we have before us. The same is true of the children's fund. We appropriated for the children's fund \$12,500,000. This year we are appropriating \$14,500,000, but that is for a period of 18 months rather than for a period of 12 months.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. HAND. I would like to ask the gentleman one question, and that is whether he thinks it is fair and equitable for the United States to contribute 66 percent toward the children's fund and have the Netherlands and Belgium put together contribute less than 1 percent?

Mr. GARY. As long as it is a voluntary fund, I do not think we have anything to do with what the others contribute. In other words, if I contribute to the community chest, I contribute what I feel I can and each and every person contributes to the fund in identically the same way.

Mr. HAND. I think we can only afford to contribute one-third.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I take this time to ask the gentleman who just left the floor, Is the World Health Organization included in this?

Mr. GARY. It is not. There we contribute 33⅓ percent.

Mr. GROSS. Is that one of these voluntary propositions?

Mr. GARY. That is an assessed fund.

Mr. GROSS. That is not one of these voluntary organizations?

Mr. GARY. No.

Mr. GROSS. That is one of these organizations where the other nations can vote indirectly to impose a tax upon the people of the United States. That is right, is it not?

Mr. GARY. That is one of the organizations whose budgets are fixed by the United Nations.

Mr. GROSS. Where they are fixed by the member countries that can vote to increase our assessment.

Mr. GARY. Including the United States.

Mr. GROSS. They can vote to increase the assessments on the part of the United States and that is exactly what they did do.

Mr. GARY. But the Congress has provided that the contribution of the United States to such an agency shall not be more than 33⅓ percent of the total contribution from all countries.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Can any American children qualify for aid under this program in spite of the fact we appropriate more than 60 percent of the money?

Mr. GROSS. Will the gentleman from Virginia answer that question?

Mr. GARY. I did not hear the question.

Mr. GROSS. Repeat the question.

Mr. O'KONSKI. Can any American children qualify for aid under this program in spite of the fact we contribute 60 percent of the fund?

Mr. GARY. I think the program is for children in the countries that need aid.

Mr. O'KONSKI. The children in America do not need aid?

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. The gentleman from Virginia mentioned a moment ago that this was a voluntary program and as a result it was none of our business what the others contributed. I would like to ask the gentleman from Virginia what is voluntary about paying taxes, and how can he make it a voluntary program under those circumstances.

Mr. GARY. It is voluntary whether we contribute to the United Nations Children's Fund. We do not have to contribute one penny unless we want to.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. I find in the hearings a technical exchange program. Who administers, may I ask some member of the committee, the technical exchange program? Is that a United Nations subsidiary or United States technical assistance program?

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield, I am sure the gentleman understands that we have two programs, the United States program and the program of the United Nations.

Mr. GROSS. Which one is this?

Mr. PASSMAN. Which one is what?

Mr. GROSS. Which one is the technical exchange program?

Mr. PASSMAN. That is a United States program.

Mr. GROSS. That is a United States program?

Mr. PASSMAN. That is correct.

Mr. GROSS. That is the one where we find the American taxpayers financing a team of so-called experts to go over to Denmark to show them how to set up self-service stores?

Mr. PASSMAN. It is my understanding that that is part of the program, yes.

Mr. GROSS. I should like to read what the distinguished gentleman from Louisiana had to say in the hearings on that.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. I yield.

Mr. PASSMAN. I am not defending all phases of this program. My defense is of the overall program today, not these little things the gentleman is picking out

of the hearings. But, if it will make the gentleman feel better, go ahead and read my interrogation.

Mr. GROSS. I would like to.

Mr. PASSMAN. I am sure we will be asked this question on the floor and that is why I am asking it now. What would be the advantage, and just why do we have to pay the salary of anyone to go to Denmark to train the Danes in establishing and operating a self-service store, when according to my understanding, they were the originators of it? They originated that type of store, did they not?

And Mr. Van Dyke, whoever he is—perhaps he is up in the gallery now. I notice it is full of the people who fatten off of this program—had this to say:

The report I have shows in 1950, they had only a handful of self-service stores. Now, the facts are that the retail teams to which I have alluded have been there on one or two occasions and as a result of their visits, primarily, I am told, the self-service idea has caught on and there are some thousand now.

So, we sent teams over to teach the Danes, the people from whom we copied the cooperative plan in this country—spending the money of the taxpayers of this country to teach them how to operate stores. What a wonderful business we are in with this legislation.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman understands that the amendment which is pending before the Committee has no reference to that program at all. That is the United States program that the gentleman is talking about. The amendment refers to the United Nations program.

Mr. GROSS. Yes. I appreciate that, but it all dovetails into the same picture, the same beautiful picture, of exploring every nook and cranny in the world and trying to find some place to spend the taxpayers' money. The Committee on Foreign Affairs is now organizing a junket to go to Ceylon to find out if there is something for Ceylon that had not been done that the American taxpayers can do.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. O'KONSKI. The gentleman from Iowa [Mr. GROSS] is a statesman and a fighter for economy in American Government. I hope that the gentleman will not prolong this program too long, because things are so bad in Europe, there is so much starvation in Europe, that right now the State Department has 50,000 applications for passports from American citizens to go to Europe and enjoy life.

Mr. GROSS. Yes. The telephone lines are swamped here in Washington with calls from people who want passports to go over there and spend their vacations starving with the Europeans.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. Is the distinguished gentleman from Iowa complaining that the Eisenhower administration is frittering away the taxpayers' money?

Mr. GROSS. That is the general idea.

Mr. JUDD. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I think we ought to stop and take a good look at the programs that would be affected by this amendment. There are three main ones from the standpoint of money involved. One is the Children's Fund. One is the United Nations Technical Assistance Fund. The biggest, involving more than all the others put together, is the program for relief of the 800,000 or more Palestine refugees.

Mr. Chairman, these are programs that the United States would be carrying on, even if no other country gave a dime, because that is just the kind of country we are and the kind of people we are. We care about human beings in need.

We initiated most of these programs and it has been a great mark of progress that other countries, as they have recovered, are each year making larger contributions from their own improved economies. So actually when it is said that it is not fair and equitable for us to be giving more than one-third, the fact is we are giving less than we would be giving for these same needy people, if we were to adopt the proposed amendment and others pulled out or failed to make up the additional amounts. It would certainly cost us more if we were left practically alone to do the job.

I am one of those who has fought for the United States not providing more than one-third of the budgets of most U. N. organizations.

But the problem in these particular organizations arises from the fact that there are two sources of funds for their programs. One is the contributing countries, like the United States and others, who give money into a central fund for the less favored or underdeveloped areas. Our share of this central fund is still 50 to 60 percent in some instances.

But it is not the only source, or even the largest source of income; the other source is the recipient countries themselves. The countries from the outside like ourselves, contribute money. But the countries that receive from that fund also contribute. It may be money in their own currency for operating the program in their country. It may be for buildings and transportation and personnel—teachers, technicians, doctors who help to administer the tuberculin shots, supervisors and cooks to run the hot-lunch program, and so forth. The contributions made by the recipient countries in the case of both the Children's Fund and U. N. Technical Assistance Fund amounts to more than twice the outside contributions to the central fund. If you add those contributions by the recipient governments to the contributions that we of the contributing countries make, then our share is already way below 33½ percent. It is down to 17 percent of the United Nations Tech-

nical Assistance Fund and 18 percent of the Children's Fund, although our share is considerably larger in the case of the Palestine refugees.

Mr. Chairman, let us stop and consider for a moment not how little the others are giving, but how much more they are beginning to give from more limited resources. And suppose other countries did not give anything. Every person here knows that the United States would be giving more, not less, to carry on these programs that are for half starved or ill children, or for destitute refugees in Korea or the Near East, or for other unfortunate human beings around the world.

This is the nubbin of the problem. Is the United States by this too drastic amendment going to undermine the foundation of some of the best programs we have supported and which in many cases we ourselves first put into operation?

I hope, Mr. Chairman, that this amendment will be voted down. I understand the purpose of it, but it is not well adapted to these particular organizations because in its percentage requirement it does not take into account the contributions, the enormous contributions made by the countries who are on the receiving end. The amendment if adopted would not force others to give more. It would just mean that those in need would get less.

Mr. ROONEY. Mr. Chairman will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. ROONEY. I thoroughly agree with every word of the distinguished gentleman from Minnesota [Mr. Judd] with regard to the pending amendment.

This very amendment was considered in the full Committee on Appropriations and was defeated. I do trust that the House will not wreck the best part of our international program; the United Nations Children's Fund, ICEM, UNREF, and the others. The action proposed by the pending amendment would mean the withdrawal of American participation in these worthwhile programs. I am sure the House is not going to adopt this amendment.

Mr. JUDD. I thank the gentleman for his splendid statement.

Surely there can be no difference of opinion in this House as to the worthwhileness of these programs. Let us continue our support with orderly reduction of our share as others are able and willing to contribute more.

I am confident the amendment will be defeated.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HAND].

The question was taken; and on a division (demanded by Mr. HAND) there were—ayes 84, noes 146.

So the amendment was rejected.

Mr. MURRAY of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Illinois: Page 12, after line 10, insert the following section:

"Sec. 109. No part of any appropriation contained in this act shall be used to make grants or loans, or otherwise to furnish assistance, to any country the government of which the Secretary of State believes to be substantially directed, dominated, or controlled by the foreign government or foreign organization controlling the world Communist movement referred to in section 2 of the Subversive Activities Control Act of 1950."

Mr. PASSMAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MURRAY of Illinois. Mr. Chairman, I am going to be very brief. I think the language of my amendment speaks for itself, and I urge its adoption.

Mr. PASSMAN. Mr. Chairman, I make a point of order against the amendment that it is legislation on an appropriation bill.

The CHAIRMAN (Mr. WALTER). The amendment offered by the gentleman from Illinois imposes on the Secretary of State additional duties, and, in the opinion of the Chair, the imposition of those additional duties constitutes legislation on an appropriation bill. Therefore, the point of order is sustained.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on section 109, and all amendments thereto, close in 5 minutes.

Mr. DOWDY and Mr. LONG objected.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that debate on the remainder of the bill conclude in not to exceed 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. LONG. Mr. Chairman, I object.

Mr. PASSMAN. Mr. Chairman, I move that all debate on the remainder of the bill close in not to exceed 10 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

[Mr. LONG addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. Dowdy].

(By unanimous consent (at the request of Mr. WILLIAMS of Mississippi), the time allotted to him was granted to Mr. Dowdy.)

Mr. DOWDY. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Dowdy: After line 10, page 12, insert a new section to be numbered section 108 (a) to read as follows:

"No part of any appropriation contained in this act shall be expended which would result in increasing the amount of the public debt of the United States of America."

Mr. PASSMAN. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriate bill.

The CHAIRMAN. As the Chair understood the reading of the amendment it is merely a limitation.

Mr. DOWDY. That is right.

The CHAIRMAN. The point of order is overruled.

The gentleman from Texas is recognized for 3 minutes.

Mr. DOWDY. Mr. Chairman, I perhaps shall not take the entire 3 minutes on this amendment, but I do want to make a short statement.

We have heard so much talk during the last 2 years about the wishes and promises to balance the budget, that I offer this amendment to accomplish that end. This amendment, if adopted, would go far toward attaining a balanced budget. I could develop this much further, but not in 3 minutes. All my amendment does is to require that the funds be not raised by borrowing and deficit spending.

A few days ago you will remember a report came to the House about the shock that resulted to certain people when they learned of recent mishandling of these foreign aid funds. I have heard that shock treatment is very beneficial in certain cases. If this amendment is adopted that shock treatment will extend much further than you realize, and may be of great good. In the first place it will reach into the executive branch when they find how much more taxes they will have to recommend be placed upon the people of the United States, and result in sanity in this program.

The statement has been made that the platform of both parties supported foreign aid and that, therefore, everybody in the United States wanted foreign aid. With both parties supporting it the voters actually did not have a chance to express themselves, and it is by no means universal that all the taxpayers want to dig up their money to be given away to foreign nations.

But this shock which I spoke of will extend to the Members of the Congress of the United States in both Houses when they wrestle with the question of levying taxes to get the money to pay for this program, and it will hit with special impact those who vote for foreign aid when our budget is so unbalanced. Now this program is a mortgage that our grandchildren and great-grandchildren will have to discharge. Many could not bear the shock of voting for taxes for this purpose now, so they will vote against my amendment.

It will shock the people who have to pay the taxes, when they find out what this bill actually costs each taxpayer.

And, of course, if the amendment is adopted I will receive my shock, because I will be so surprised.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield.

Mr. DIES. I am sure both sides are for it, Democrats and Republicans alike, because they are on record in favor of a balanced budget and against deficit spending.

Mr. DOWDY. Certainly, it is just fiscal responsibility and every Member should be for it. Every Member who votes for this program should certainly be willing to vote the taxes to support it.

Mr. DIES. I think the committee will concede the amendment.

Mr. DOWDY. Surely they ought to, and I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield.

Mr. GROSS. If they are against inflation they will vote for the gentleman's amendment.

Mr. DOWDY. Thank you; at least they should do so.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield.

Mr. WILLIAMS of Mississippi. The gentleman is advocating fiscal responsibility on the part of both parties, is he not?

Mr. DOWDY. He is, on the part of all parties, and this would help make it possible.

Mr. WILLIAMS of Mississippi. I do not see how anybody could vote against it.

Mr. DOWDY. This a way to fiscal responsibility, and the only way.

Mr. O'KONSKI. Mr. Chairman, if the gentleman will yield, this is the most wise legislative proposal that has been introduced in the 84th Congress, but I will drop dead of shock if it is adopted.

Mr. DOWDY. I will too. I thank the gentleman.

The CHAIRMAN. The gentleman from Wisconsin [Mr. LAIRD] is recognized.

Mr. LAIRD. Mr. Chairman, I think it is well that we know what we are voting this evening. This a bill which contains spending authorization for \$13 billion. This is brought about because of prior spending authority of past sessions. The FOA is a freewheeling operation which has clearly shown no respect for the will of Congress. An obligation on the part of the Foreign Operations Administration clearly is not an obligation, because they can change it around at their own will any time they desire. In the first 6 months of fiscal 1955 FOA deobligated more funds than it obligated.

I think if we are going to have a tight management of the Foreign Operations Administration in helping our friends throughout the world we certainly should not be appropriating more than \$1 billion in new funds today.

Mr. PASSMAN. Mr. Chairman, this is just another attempt to kill the program indirectly rather than directly. As I understand the amendment, it provides that no part of any funds contained in this bill may be used which will increase the public debt of the United States.

Mr. Chairman, how can we know whether this appropriation will increase the public debt or whether an appropriation we make for our own economy will increase the public debt? It would be impossible to determine what appropriation you would apply to determine whether or not the public debt has been increased.

Mr. Chairman, I think there has been sufficient debate on the amendment. I trust the committee will recognize that this is another attempt to kill the bill and will vote down the amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The House has given one of the greatest exhibitions today of responsibility I have ever seen in my many years, under the leadership of the gentleman from Louisiana, who certainly is entitled to every credit. We know his views, but he has come in here as chairman of the committee fighting for the committee and, as the gentleman from Pennsylvania [Mr. FLOOD] well said, he has shown himself to be what he is, a great statesman. The bill has gone through in excellent shape and I join with him in urging defeat of the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The question was taken; and on a division (demanded by Mr. ROONEY and Mr. WILLIAMS of Mississippi) there were—ayes 62, noes 163.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. WOLVERTON. Mr. Chairman, we now have under consideration the mutual security appropriation bill, 1956. Appropriations are contained in this bill totaling \$2,638,741,750 for fiscal year 1956, a reduction of \$627,900,000 in the budget estimates. In addition, a reduction of \$21,366,750 was made in the estimated balances reported as unobligated on June 30, 1955. The total unexpended balance as of June 30, 1955, for this program was estimated as \$8,717,100,000.

Programs included under the general head of military assistance are designed to provide military equipment and training required by certain friendly countries to develop or maintain specific military and related units at a level of effectiveness. Provision is also made to give the military and related forces of certain countries direct support which is additional to the regular military assistance which those forces are also receiving. Furthermore, the bill contains appropriations for defense support to certain countries which are receiving military assistance, funds to promote economic development to create or maintain economic or political stability, and to provide technical cooperation for programs to share our knowledge, experience, techniques, and skills with the peoples of less developed areas of the world for the purpose of helping them to further their economic development and increase their standard of living. These programs consist largely of advice, teaching, and training. And there are also some special funds to meet unforeseen circumstances or conditions that arise.

This brief statement of the purposes and objectives of this bill is sufficient to indicate that much good has already been accomplished by reason of former appropriations and can be accomplished by reason of further expenditures in our effort to build up and sustain strong allies to be helpful in maintaining peace and security throughout the world. However, the question is continually arising whether it is necessary to expend such vast sums and if so, then we should utilize the funds contained in the bal-

ances remaining unexpended. These funds as I have already stated amount to \$8,717,100,000.

We must not lose sight of the fact that it is the expenditure of these large sums each year that is preventing the balancing of the budget and keeping our rate of taxation at a high level. It is my opinion that a careful survey should be made of these unexpended and unobligated balances to the end that they be utilized rather than appropriating each year additional sums. If a method such as this should be adopted it would enable us to balance the budget, reduce taxes, and at the same time carry on the programs deemed necessary to strengthen our security. It can be readily seen that to follow this course would relieve our people of the burden they are now carrying and would not eliminate or even curtail our help to nations which we may find necessary to extend for a time longer.

Furthermore, as a result of what I have observed in visiting many of the countries where we are carrying on his form of relief, I am of the opinion that much of it could be eliminated or curtailed without doing any real damage to the purpose and objective of the several programs we are now carrying on.

In this connection it is most gratifying to note that the Appropriations Committee has already recommended a considerable reduction. I am of the opinion it could and should be larger than it is. While I am willing for a while longer to support the program, yet I shall support the efforts that will be made to further reduce the amount.

Mr. RHODES of Pennsylvania. Mr. Chairman, I believe there is a need for a program of foreign aid and cooperation. I believe it is essential in strengthening the free world in the fight against communism and totalitarianism. I believe it is a good investment in world peace, and in our Nation's own welfare and security.

I was very much interested in remarks by opponents of this bill pertaining to aid for needy people of the United States, for the children, for the aged, the unemployed and their families.

I share their concern about this but I cannot understand what it has to do with the legislation before us today. There are other ways to serve this worthy objective.

Many pieces of legislation has been proposed in this Congress to give our own people, and particularly those with the lowest incomes and the most needy, a better share of the good things of life which this Nation has in abundance. I speak of minimum wage legislation, social security, adequate school construction, aid to the handicapped, unemployment insurance and the like.

We can help our own people by enacting legislation for increased tax exemption to aid low income groups, and the implication of a program which would provide job opportunities for all who are anxious and willing to work.

What puzzles me about the arguments made today for our own people, is that for the most part, they have been made by Members whose record in the House

is one of opposition to these programs I have mentioned, programs which would give to our own people a better share of our Nation's abundance and great wealth.

Even with our foreign-aid program, the Nation has tremendous surpluses of food and of all kinds of civilian goods which offer good living to our people. Yet with these great surpluses and the Nation's ever-increasing productive might, many of our citizens such as farmers, part-time and unemployed industrial workers, and others are faced with lower living standards.

Certainly, many of our own folks deserve a better break than they are getting. But there is no evidence that we can help them by destroying this important program as the opponents of this bill would like to do.

If we follow the thinking and philosophy of those who oppose this bill, and who also oppose liberal domestic policies, the chances are that unemployment and distress in this country would grow along with the pile of surplus food and everything else.

I trust, Mr. Chairman, that the same thought and consideration for our own people be given when we vote to improve minimum wage, social security, housing, and other legislation designed to do something for our own people.

Mr. PASSMAN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HAND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HAND. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HAND moves to recommit the bill to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. WILLIAMS of Mississippi. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 251, nays 123, not voting 60, as follows:

[Roll No. 112]

YEAS—251

Addonizio	Friedel	Norblad
Albert	Fulton	O'Brien, Ill.
Allen, Calif.	Gamble	O'Brien, N. Y.
Allen, Ill.	Garmatz	O'Hara, Ill.
Arends	Gary	O'Neill
Ashley	Gathings	Ostertag
Aspinall	George	Passman
Auchincloss	Gordon	Patman
Avery	Granahan	Patterson
Ayres	Green, Oreg.	Pelly
Baker	Griffiths	Pfost
Baldwin	Gubser	Philbin
Bass, N. H.	Hagen	Pilcher
Bates	Hale	Pillion
Baumhart	Halleck	Poage
Becker	Harden	Poff
Bennett, Fla.	Hardy	Preston
Boggs	Harris	Price
Boland	Harvey	Priest
Bolling	Hays, Ark.	Prouty
Bolton	Hays, Ohio	Quigley
Frances P. Bolton	Hayworth	Rabaut
Oliver P. Bowler	Heseltun	Radwan
Boykin	Hillings	Rains
Boyle	Holfield	Ray
Brooks, Tex.	Holmes	Reuss
Brown, Ga.	Holt	Rhodes, Ariz.
Broyhill	Holtzman	Rhodes, Pa.
Burleson	Hope	Richards
Byrd	Horan	Riehlman
Byrne, Pa.	Huddleston	Riley
Byrnes, Wis.	Hyde	Roberts
Canfield	Ikard	Robison, Ky.
Cannon	Jarman	Rodino
Carnahan	Jenkins	Rogers, Mass.
Carrigg	Johnson, Wis.	Rooney
Celler	Jones, Ala.	Roosevelt
Chelf	Jones, Mo.	Schenck
Chiperfield	Judd	Schwengel
Chudoff	Karsten	Scott
Clark	Kean	Scudder
Cole	Kearns	Seely-Brown
Cooper	Keating	Selden
Corbett	Kee	Shelley
Coudert	Kelley, Pa.	Sheppard
Cramer	Keogh	Sieminski
Cretella	Kilburn	Simpson, Pa.
Cunningham	Kilday	Sisk
Curtis, Mass.	King, Calif.	Smith, Miss.
Dague	Kluczynski	Spence
Davidson	Knutson	Springer
Davis, Ga.	Lane	Staggers
Dawson, Ill.	Lanham	Steed
Dawson, Utah	Lankford	Sullivan
Deane	Latham	Taber
Delaney	LeCompte	Teague, Calif.
Denton	Lesinski	Thompson, N. J.
Derounian	Lipscomb	Thompson, Tex.
Devereux	McCarthy	Thornberry
Dixon	McConnell	Tollefson
Dodd	McCormack	Trimble
Dolliver	McDonough	Tumulty
Donohue	Macdonald	Vanik
Donovan	Machrowicz	Van Zandt
Dorn, N. Y.	Mack, Ill.	Velde
Doyle	Madden	Vinson
Durham	Magnuson	Vorys
Edmondson	Mahon	Vursell
Elliott	Mailliard	Wainwright
Ellsworth	Marshall	Walter
Engle	Martin	Watts
Fallon	Matthews	Westland
Fascell	Meador	Wickersham
Feighan	Merrrow	Wigglesworth
Fenton	Metcalf	Williams, N. J.
Flood	Miller, Md.	Wilson, Ind.
Fogarty	Minshall	Wolcott
Forand	Mollohan	Wolverton
Ford	Morano	Wright
Forrester	Morgan	Yates
Fountain	Moss	Young
Frazier	Multer	Younger
Frelinghuysen	Murray, Ill.	Zablocki
	Murray, Tenn.	
	Natcher	

NAYS—123

Abbitt	Dies	Moulder
Abernethy	Dondero	Nelson
Adair	Dorn, S. C.	Nicholson
Alexander	Dowdy	Norrell
Alger	Fisher	O'Hara, Minn.
Andersen,	Fjare	O'Konski
H. Carl	Flynt	Phillips
Andresen,	Gavin	Reece, Tenn.
August H.	Gentry	Reed, Ill.
Andrews	Grant	Rees, Kans.
Ashmore	Gray	Robeson, Va.
Bailey	Gross	Rogers, Fla.
Barden	Gwinn	Rogers, Tex.
Bass, Tenn.	Haley	Rutherford
Beamer	Hand	Saylor
Belcher	Harrison, Nebr.	Scherer
Bell	Harrison, Va.	Scrivner
Bennett, Mich.	Henderson	Shuford
Bentley	Herlong	Sikes
Berry	Hiestand	Siler
Betts	Hoeven	Simpson, Ill.
Blitch	Hull	Smith, Kans.
Bonner	Jennings	Smith, Va.
Bosch	Jensen	Smith, Wis.
Bow	Johansen	Talle
Bray	Jonas	Teague, Tex.
Brooks, La.	Jones, N. C.	Thomas
Brown, Ohio	Kilgore	Thompson, La.
Brownson	King, Pa.	Thompson,
Budge	Knox	Mich.
Burdick	Krueger	Thomson, Wyo.
Carlyle	Laird	Tuck
Cederberg	Landrum	Van Pelt
Church	Long	Weaver
Clevenger	Lovre	Wharton
Colmer	McIntire	Whitten
Cooley	McMillan	Wier
Coon	McVey	Williams, Miss.
Crumpacker	Mack, Wash.	Williams, N. Y.
Curtis, Mo.	Mason	Willis
Davis, Wis.	Miller, Nebr.	Winstead
Dempsey	Mills	Withrow

NOT VOTING—60

Anfuso	Green, Pa.	Miller, N. Y.
Barrett	Gregory	Morrison
Blatnik	Hébert	Mumma
Buchanan	Hess	Osmers
Buckley	Hill	Perkins
Burnside	Hinshaw	Polk
Bush	Hoffman, Ill.	Powell
Chase	Hoffman, Mich.	Reed, N. Y.
Chatham	Hosmer	Rivers
Chenoweth	Jackson	Rogers, Colo.
Christopher	James	Sadlak
Davis, Tenn.	Johnson, Calif.	St. George
Diggs	Kearney	Sheehan
Dingell	Kelly, N. Y.	Short
Dollinger	Kirwan	Taylor
Eberharter	Klein	Udall
Evans	McCulloch	Utt
Fernandez	McDowell	Widnall
Fine	McGregor	Wilson, Calif.
Fino	Miller, Calif.	Zelenko

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Widnall for, with Mr. Hoffman of Illinois against.

Mr. Osmers for, with Mr. Hoffman of Michigan against.

Mr. Sadlak for, with Mr. Sheehan against.

Mr. Anfuso for, with Mr. Short against.

Mr. Taylor for, with Mr. McGregor against.

Mr. Klein for, with Mr. McCulloch against.

Mr. Hébert for, with Mr. Utt against.

Mr. Fernandez for, with Mr. Chase against.

Until further notice:

Mr. Eberharter with Mr. Hess.

Mr. Fine with Mr. Miller of New York.

Mr. Dollinger with Mr. Mumma.

Mr. Dingell with Mr. Reed of New York.

Mr. Morrison with Mrs. St. George.

Mr. Burnside with Mr. Hill.

Mr. Buckley with Mr. Hinshaw.

Mrs. Buchanan with Mr. Fino.

Mr. Green of Pennsylvania with Mr. Bush.

Mr. Barrett of Pennsylvania with Mr. Chenoweth.

Mr. Chatham with Mr. Wilson of California.

Mrs. Kelly with Mr. Kearney.

Mr. Kirwan with Mr. Johnson of California.

Mr. Miller of California with Mr. Jackson.

Mr. Evins with Mr. Hosmer.
Mr. Zelenko with Mr. James.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members speaking on the mutual security appropriation bill may have 5 legislative days in which to extend and revise their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

WATER RESOURCES OF ALASKA

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska, with a Senate amendment, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ENGLE, ASPINALL, O'BRIEN of New York, MILLER of Nebraska, and SAYLOR.

MULTIPLE USE OF SURFACE OF SAME TRACTS OF PUBLIC LANDS

Mr. ENGLE submitted the following conference report and statement on the bill (H. R. 5891) to amend the act of July 31, 1947 (61 Stat. 681) and the mining laws to provide for multiple use of the surface of the same tracts of the public lands, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 1096)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5891) to amend the act of July 31, 1947 (61 Stat. 681), and the mining laws to provide for multiple use of the surface of the same tracts of the public lands, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with a further amendment as follows:

On page 5, line 17, of the Senate engrossed amendment, after the words "United States", insert the words "subsequent to the location of the claim"; and the Senate agree to the same.

CLAIR ENGLE,
WALTER ROGERS,
LEE METCALF,
JOHN P. SAYLOR,
WILLIAM A. DAWSON,

Managers on the Part of the House.

CLINTON P. ANDERSON,
HENRY M. JACKSON,
JOSEPH C. O'MAHONEY,
EUGENE D. MILLIKIN,
ARTHUR V. WATKINS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5891) to amend the act of July 31, 1947 (61 Stat. 681), and the mining laws to provide for multiple use of the surface of the same tracts of the public lands, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

Amendment No. 1: Insertion, after the words "but not limited to," where the first occur in the first full sentence of section 1, of the words "common varieties of the following:". Agreed to by the managers on the part of the House, this amendment results in language in section 1 conforming to the initial clause of section 3 of the bill, which in turn is complementary to the definition of "common varieties" contained in the last full sentence of section 3.

Amendment No. 2: Addition, in the first sentence of section 1 of the bill, following the words "is not otherwise expressly authorized by law, including", of the words "but not limited to, the Act of June 28, 1934 (48 Stat. 1269), as amended, and". Agreed to by the managers on the part of the House, this amendment refers to the Taylor Grazing Act of 1934, and makes clear the intent to leave the provisions of this act unaffected by the terms of the bill.

Amendment No. 3: Deletion, following the word "municipalities" in the second full sentence of section 1, of the words "or any person.". Agreed to by the managers on the part of the House, this amendment deletes a clause contained in the Materials Disposal Act of 1947 (61 Stat. 681), in the belief that authority of the Secretary of the Interior to make available, without charge, materials and resources subject to the act, should not include such discretionary power in the case of individuals. Authority in this respect affecting governmental subdivisions, non-profit associations, or corporations, etc., is unaffected by the amendment.

Amendment No. 4: Deletion, after the words "Department of Agriculture" where they last appear in section 1 of the bill, of the proviso: "Provided, That, notwithstanding any other provisions of law, such leases or permits may be issued for lands administered for national parks, monuments, and wildlife purposes only when the President, by Executive order, finds and declares that such action is necessary in the interests of national defense." Originally inserted in the bill by House committee amendment, this proviso was intended to insure that amendments to the Materials Act of 1947 contained in section 1 of the bill would not be construed as opening lands administered for the purposes specified to Materials Act entry. In concurring in the Senate amendment deleting the proviso, the House managers are in agreement that the fourth full sentence of section 1 of the bill clearly accomplishes the purpose intended by the proviso, and that the language deleted might have been subject to a construction vesting, in the executive branch, authority with respect to these areas presently reserved to the Congress.

Amendment No. 5: Addition, following the proviso in subsection (b) of section 4 of the bill, of a further proviso as follows: "Provided further, That if at any time the locator requires more timber for his mining operations than is available to him from the claim after disposition of timber therefrom by the United States, he shall be entitled, free of charge, to be supplied with timber for such requirements from the nearest timber administered by the disposing agency which is ready for harvesting under the rules and regulations of that agency and

which is substantially equivalent in kind and quantity to the timber estimated by the disposing agency to have been disposed of from the claim: "The managers on the part of the House agreed to this Senate amendment, with an amendment inserting, after the word "United States", the words "subsequent to the location of the claim.". The amendment, as amended and agreed to by the conference committee, would require the Federal agency disposing, after location, of timber on a claim, to supply timber to the claimant in the amount the Federal agency has removed if the claimant needs such timber in his mining operation.

Amendment No. 6: Occurs in subsection (b) of section 4, in the form of an additional proviso, to be inserted after the proviso adopted by agreement to amendment 5, as follows: "Provided further, That nothing in this Act shall be construed as affecting or intended to affect or in any way interfere with or modify the laws of the States which lie wholly or in part westward of the ninety-eighth meridian relating to the ownership, control, appropriation, use, and distribution of ground or surface waters within any unpatented mining claim." Agreed to by the House managers, this amendment makes clear an intent to leave unaffected the operation of State water laws in the reclamation West governing the ownership, control, appropriation, use, and distribution of ground or surface waters.

Amendment No. 7: Insertion, preceding the word "limitation" where it first occurs following the words "United States" in section 7, of the word "reservation".

Amendment No. 8: Insertion, after the word "limitation" where it first occurs following the words "United States" in section 7, of a comma.

Amendment No. 9: Insertion, preceding the word "limitation" where it last occurs following the words "United States" in the House version of section 7, of the word "reservation".

Amendment No. 10: Insertion, after the word "limitation" where it last occurs following the words "United States" in the House version of section 7, of a comma.

Amendment No. 11: Following the word "patent", where it last occurs in the House version of section 7, striking the period and adding the following: "or to limit or restrict any use of the lands covered by any patented or unpatented mining claim by the United States, its lessees, permittees, and licensees which is otherwise authorized by law." The House managers agreed to these several clarifying and perfecting amendments (amendments Nos. 7 through 11) to underscore the legislative intent to leave unaffected the scope and operation of certain existing statutes which limit or restrict mining activities upon lands owned by the United States. Examples include: the act of April 8, 1942 (62 Stat. 162), which opened the revested Oregon & California Railroad grant lands and the reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws, but which limited—with respect to timber on such lands—the rights of persons making entry on those lands; the act of August 12, 1953 (Public Law 250, 83d Cong., 1st sess.; 67 Stat. 559), and the act of August 13, 1954 (Public Law 585, 83d Cong., 2d sess.; 68 Stat. 708), both of which operate, within the terms thereof, to create authority for, and to establish procedure whereby, there is reserved to the United States all Leasing Act minerals. Further, the latter two acts operate to reserve to the United States, its lessees, permittees, and licensees, within the limits specifically set out, the right to entry upon and removal from mining locations (prior to, and after patent) of Leasing Act minerals; and the right to use mining locations, or restricted mineral patent lands falling within the scope

have a direct or indirect interest (pp. 9358-60). Agreed to a Fulbright amendment requiring USDA certification for development of certain substitutes for critical and strategic materials (p. 9362). Agreed to, 46 to 45, a Capehart amendment permitting the continued use of business experts without compensation as advisors to appropriate full-time salaried Government officials who are responsible for making policy decisions (pp. 9363-80).

16. SURPLUS COMMODITIES; FOREIGN TRADE. S. 2253, to increase funds for Public Law 480, was made the unfinished business (p. 9392).
17. FAO. Received a draft of proposed legislation from the State Dept. to amend certain laws providing for membership and participation by the U. S. in the Food and Agriculture Organization and the International Labor Organization and authorizing appropriations therefor; to Foreign Relations Committee (p. 9341).
18. PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 605, to provide for the abolition of the 80-rod reserved space between claims on shore waters in Alaska (S. Rept. 1025) (p. 9342).
19. WATER COMPACT. The Public Works Committee reported with amendment S. 2260, granting a compact between Ark., La., Okla., and Tex. for an apportionment of the waters of the Red River and its tributaries (S. Rept. 1030) (p. 9342).
20. COMMITTEE PERSONNEL. Received reports from the Senate committees showing name, profession, and total salary of each person employed by them for the period from Jan. to June, 1955 (pp. 9342-50).
21. MINERALS. Upon request of Sen. Goldwater, S. 922, to amend the Domestic Minerals Program Extension Act of 1953, was recommitted to the Interior and Insular Affairs Committee (p. 9351).
22. CORN. Sen. Flanders inserted an article, "The Tassel of the Corn", suggesting that the tassel of the corn be made the national flower (p. 9354).
23. TREATIES. Sen. Langer urged that the Senate be given an opportunity to vote on the Bricker amendment and inserted a Washington Post and Times Herald article on the subject (p. 9354).
24. PERSONNEL. Passed as reported S. 59, making retroactive to Apr. 1, 1948, a 1949 amendment to the Civil Service Retirement Act extending to each retiring married female employee the privilege of naming her husband to receive a survivor annuity in event of her death, similar to the annuities which retiring male employees are able to provide for their wives through the 1948 amendment (p. 9357).
25. SOCIAL SECURITY. Sen. Neuberger stated that the Senate at this session should consider amendments to the Social Security Act and urged that public hearings begin as soon as possible (p. 9387).
26. WHEAT. Sen. Neuberger inserted a Commonwealth article critical of the domestic parity plan for wheat and Joe Spiruta's, Oregon Wheat Commission, answers to the criticisms (pp. 9387-9).
27. GRAIN STORAGE. Sen. Humphrey criticized the administration by this Department in the contracting for the construction of grain storage bins, of which "approximately 8,960 of the bins were defective" (pp. 9390-1).

July 19, 1955

-4-
Senate

Sen. Langer discussed criticisms made during the previous administration regarding the handling of grain storage facilities and stated that a "great effort" is being made by this administration to protect the small farmer (pp. 9397-9).

28. ELECTRIFICATION. Sen. Johnston discussed the administration's power policies and commended the rural electric cooperatives (pp. 9399-9401).
29. AGRICULTURAL DELEGATES. Sens. Langer, Humphrey and Wiley suggested programs of possible interest for the visiting Soviet agricultural delegates (pp. 9392-3).
30. FOREIGN AID. The Appropriations Committee ordered reported the mutual security appropriations bill (p. D830).
31. RECLAMATION. The Interior and Insular Affairs Committee ordered reported the following bills: S. 1683, to amend act limiting boundaries of the Yuma auxiliary project, Ariz.; S. 1534, to facilitate the construction of drainage works and other minor items on Federal reclamation projects; S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects; S. 730, compact between Kans. and Okla. for waters of the Ark. River; and S. 926, authorizing construction, operation, and maintenance of Ventura River reclamation project, Calif. (p. D831).
32. LEGISLATIVE PROGRAM. Sen. Clements announced that following action today on S. 2253, to increase funds for Public Law 480, it is hoped that the Philippines trade bill and other minor bills may be considered; that on Friday it is important for the foreign-aid bill to be considered; and that the consent of the Senate will be requested for a calendar call on Saturday (pp. 9391-2).

BILLS INTRODUCED

33. RICE. S. 2573, by Sen. Daniel, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to Agriculture and Forestry Committee (p. 9350).
34. PERSONNEL. H. R. 7457, by Rep. Baker, H. R. 7462, by Rep. Pelly, and H. R. 7475, by Rep. Frazier, "to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended;" to Post Office and Civil Service Committee (p. 9467).
- H. R. 7465, by Rep. Staggers, to establish the Federal Agency for Handicapped, to define its duties; to Education and Labor Committee (p. 9467).
35. DEFENSE PRODUCTION. H. R. 7470, by Rep. Spence, "to amend the Defense Production Act of 1950, as amended;" to Banking and Currency Committee (p. 9467).

ITEMS IN APPENDIX

36. FOREIGN AID. Rep. Cretella inserted an editorial from the Jerusalem Post expressing appreciation for technical assistance and loan afforded the Israeli Government (pp. A5310-1).
37. HOOVER COMMISSION. Rep. Udall inserted a newspaper editorial opposing the Hoover Commission Report's recommendation on "liquidation" of public power, and non-Federal participation in power projects (p. A5272).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 21, 1955

For actions of July 20, 1955

84th-1st, No. 122

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

CONTENTS

Animal diseases.....7	Forestry.....9	Research.....8,39
Appropriations.....1,11,18	Labor, farm.....25	Rice.....25
Budget and accounting...13	Lands.....4,24,25,29	Roads.....9,32
CCC.....25,35	Legislative program..10,27	Salt-water research.....39
Conservation.....38	Minerals.....10	Security.....22
Daylight saving.....34	Minimum wage.....2	Surplus commodities..12,28
Education.....16	Nominations.....19	Taxation.....23
Electrification.....15,36	Personnel.....20,33,37	Tobacco.....25
Farm loans.....3	Price supports.....26	Trade agreements.....21
Finance.....6	Property.....5,23,30	Veterans' benefits.....16
Foreign aid.....11,27	Reclamation.....17,36	Wheat.....14,31
Foreign trade.....12		

HIGHLIGHTS: Senate passed bill to increase funds for Public Law 480. Senate committee reported mutual security appropriation bill. Senate committee ordered reported bills to permit sales of certain CCC stocks without restriction; transfer title 3 lands to Clemson College; amend rice quota law; extend Mexican farm labor program; authorize CCC to process foods for donation; exchange USDA and State employees; and amend tobacco allotments-quotas law. Both Houses agreed to conference report on Labor-HEW appropriation bill. House passed minimum wage bill. House committee reported bills to provide additional authority for insurance of farm loans, consolidate experiment station authorizations, permit importation of livestock in Virgin Islands, and provide for disposition of Bankhead-Jones lands.

HOUSE

1. ~~APPROPRIATIONS.~~ Both Houses agreed to the conference report on H. R. 5046, the Labor and Health, Education, and Welfare Departments appropriation bill (pp. 9504-6, 9521-8). This bill is now ready for the President.
2. ~~MINIMUM WAGE.~~ Passed with amendment S. 2168, raising the minimum wage to \$1 per hour effective March 1, 1956. The amendment to S. 2168 consisted of inserting the language of H. R. 7214, which was subsequently laid on the table. After passing S. 2168, the House asked for a conference, and the conferees were appointed (pp. 9528-53). Rep. Barden spoke in opposition to the \$1 increase, alleging that it would further the price spread affecting the farmer (pp. 9537-8), while Rep. Hays, Ark., felt that the increase would adversely affect the small farmer (p. 9551). Reps. Christopher and McCarthy believed that the problem of the farmer was not a result of any minimum wage regulations, but rather a result of negligence on the part of USDA (pp. 9540-1).
3. ~~FARM LOANS.~~ The Agriculture Committee reported with amendment H. R. 6914, to amend the Bankhead-Jones Farm Tenant Act, to modify, clarify, and provide additional authority for insurance of loans (H. Rept. 1276) (p. 9563).

4. LANDS. The Agriculture Committee reported without amendment H. R. 6815, providing for the orderly disposition of submarginal lands acquired under Title 3 of the Bankhead-Jones Farm Tenant Act (H. Rept. 1296) (p. 9564).
The O'Brien subcommittee of the Interior and Insular Affairs Committee approved for reporting to the full committee H. R. 5299, to authorize the establishment of the Virgin Islands National Park (p. D745).
5. PROPERTY. The Public Works Committee reported without amendment S. 1210, providing a 5 year limitation on the period of leases of space for Federal agencies in D. C. (p. 9564).
The Brooks subcommittee of the Government Operations Committee approved for reporting to the full committee H. R. 7227, to make civil defense organizations eligible to receive property declared surplus by Government agencies (p. D744).
6. FINANCE. The Banking and Currency Committee reported without amendment S. 1894, providing for participation of the U. S. in the International Finance Corporation (H. Rept. 1299) (p. 9564).
7. ANIMAL DISEASES. The Agriculture Committee reported without amendment S. 1166 to restore, in modified form, ARS authority to control the importation of livestock and poultry into the Virgin Islands (H. Rept. 1295) (p. 9564).
8. RESEARCH. The Agriculture Committee reported with amendment S. 1759, providing for the consolidation of appropriated funds for the support of agricultural experiment stations in the States, Alaska, Hawaii, and Puerto Rico (H. Rept. 1298) (p. 9564).
9. ROADS. The Public Works Committee ordered reported H. R. 7474, the Federal-aid highway construction bill, which includes items for forest roads (p. D746).
10. LEGISLATIVE PROGRAM. The Majority Leader outlined the legislative program for the balance of the week as follows: Today, H. R. 5614, to amend the Communications Act of 1934, and H. R. 6373, extension of the Mineral Program Act. "With the completion of those two bills, that will complete the legislative program for this week. ... I expect they reasonably may be (completed) (and) ... I shall then ask unanimous consent for the House to go over until Monday (July 25)"

SENATE

11. FOREIGN AID. The Appropriations Committee reported, during adjournment on July 19, H. R. 7224, the mutual security appropriation bill for 1956 (S. Rept. 1033) (p. D739).
12. SURPLUS COMMODITIES; FOREIGN TRADE. Passed, with an amendment by Sen. Eastland in the nature of a substitute, S. 2253, to increase funds for Public Law 480 (pp. 9489-97). As passed, the bill increases the funds available under Public Law 480 from \$700 million to \$1.5 billion, with a provision that such ceiling not be apportioned to limit the value of the goods within that amount which can be sold for foreign currencies in any year. It gives this Department authority to determine the nations with which agreements for the sale of goods shall be made, and to determine the commodities and the quantities.
13. BUDGET AND ACCOUNTING. Received from the Hoover Commission a report of its task force on budget and accounting in the U. S. Government; to Government Operations Committee (p. 9469).

MUTUAL SECURITY APPROPRIATION BILL, 1956

JULY 19, 1955.—Ordered to be printed

Mr. HAYDEN, from the Committee on Appropriations, under authority of the order of the Senate of July 19, 1955, submitted the following

R E P O R T

[To accompany H. R. 7224]

The Committee on Appropriations, to whom was referred the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House----- \$2, 638, 741, 750

Amount of increase by Senate----- 566, 600, 000

Amount of bill as reported to the Senate---- 3, 205, 341, 750

Amount of estimates, 1956----- 3, 266, 641, 750

Amount of appropriations, 1955----- 2, 971, 099, 816

The bill as reported to the Senate:

Under the estimates for 1956----- 61, 300, 000

Over the appropriations for 1955----- 234, 241, 934

	Available, 1955	Estimates, 1956	Recommended in House bill, 1956	Recommended in Senate bill, 1956	Senate bill compared with—		House bill
					Available, 1955	Estimates, 1956	
Military assistance:							
Appropriation.....	\$1,020,973,387	\$1,125,000,000	\$705,000,000	\$1,125,000,000	+\$104,026,613		+\$420,000,000
Unobligated and unreserved balance.....	2,422,612,729	33,900,000	33,900,000	33,900,000	-2,388,612,729		
Total.....	3,443,486,116	1,158,900,000	738,900,000	1,158,900,000	-2,284,586,116		+\$420,000,000
Direct forces support.....	365,760,000	317,200,000	305,000,000	317,200,000	-48,560,000		+\$12,200,000
Defense support:							
Appropriation.....	1,162,577,808	1,000,300,000	947,500,000	1,027,000,000	-135,577,808	+\$26,700,000	+\$79,500,000
Unobligated balance.....	32,200,000	25,000,000	25,000,000	25,000,000	-7,200,000		
Total.....	1,194,777,808	1,025,300,000	972,500,000	1,052,000,000	-142,777,808	+\$26,700,000	+\$79,500,000
Development assistance.....	164,600,000	182,000,000	172,000,000	162,000,000	-2,600,000	-20,000,000	-10,000,000
Technical cooperation.....	126,354,621	172,000,000	150,500,000	155,500,000	+\$29,145,379	-16,500,000	+\$5,000,000
Other programs:							
Appropriation.....	130,834,000	470,141,750	358,741,750	418,641,750	+\$287,807,750	-51,500,000	+\$59,900,000
Unobligated balance.....	23,563,250	3,633,250	3,633,250	3,633,250	-19,930,000		
Total.....	154,397,250	473,775,000	362,375,000	422,275,000	+\$267,877,750	-51,500,000	+\$59,900,000
Undistributed unobligated balance.....		21,366,750		21,366,750	+\$21,366,750		+\$21,366,750
Total Mutual Security:							
Appropriation.....	2,971,099,816	3,266,641,750	2,638,741,750	3,205,341,750	+\$234,241,934	-61,300,000	+\$566,600,000
Unobligated balance.....	2,478,275,979	83,900,000	62,533,250	83,900,000	-2,394,375,979		+\$21,366,750
Total.....	5,449,375,795	3,350,541,750	2,701,275,000	3,289,241,750	-2,160,134,045	-61,300,000	+\$587,966,750

GENERAL STATEMENT

The Mutual Security Act of 1955 (Public Law 138, approved July 8, 1955) authorized appropriations of \$3,285,800,000 for fiscal year 1956, in addition to authorization for continued availability of unexpended balances in unspecified amounts, with certain stated exceptions.

The House of Representatives has recommended appropriations under this authority totaling \$2,638,741,750, of which \$122,000,000 (for the United States contribution to North Atlantic Treaty Organization infrastructure, or jointly financed military defense works) was chargeable to the authorization made in the Mutual Security Act of 1954. The House-passed bill also limited the use of unobligated balances to \$62,533,250, out of an estimated total of unobligated balances aggregating \$83,900,000.

The committee recommends appropriations of \$3,205,341,750—also including \$122,000,000 for infrastructure—and the full amount of unobligated balances. The bill as reported represents, therefore, an increase of \$566,600,000 over the bill as passed by the House; \$61,300,000 less than the estimate, and \$202,458,250 less than the amount authorized. The recommended total appropriations are \$234,241,934 more than the appropriations for fiscal year 1955.

Language has been included in the bill continuing available during fiscal year 1956 all unexpended balances, except for \$100 million.

INSPECTION BY UNITED STATES OFFICIALS OF AID FURNISHED

The committee is insistent on proper inspection of the aid sent under the mutual security program to all countries in order that the United States may be as certain as possible that United States aid is put to the use for which it was furnished. Otherwise the committee directs that aid be withheld until United States inspection officials are satisfied that they are permitted to make proper inspections. Specifically the committee has been advised that Yugoslavia has not been complying with the following provision:

Section 142 of the Mutual Security Act of 1954, as amended:

AGREEMENTS.—No assistance shall be furnished to any nation under this title unless such nation shall have agreed to—

(10) Permit continuous observation and review by United States representatives of programs of assistance authorized under this title, including the utilization of any such assistance, or provide the United States with full and complete information with respect to these matters, as the President may require;

MILITARY ASSISTANCE

Programs included under this general head are designed to provide the military equipment and training required by certain friendly countries to develop or maintain specific military and related units at a given level of effectiveness.

For the military assistance program, the budget estimate is in the amount of \$1,125,000,000. The House effected a \$420,000,000 reduction in this appropriation, recommending a total sum of \$705,000,000. The committee recommends that the full amount of the budget estimate be provided. The committee further recommends that the funds be continued available until expended which is the normal procedure

with funds appropriated to the Department of Defense for similar programs for our own forces. The reservation language which was written into the Mutual Security Appropriation Act in the conference committee last year has been reinstated in this bill with minor changes requested by the Department of Defense.

DIRECT FORCES SUPPORT

Programs within this classification are designed to give the military and related forces of certain countries direct support which is additional to the regular military assistance which those forces are also receiving. As in the case of regular military assistance, these programs ordinarily consist of equipment, materials and services which are delivered or rendered directly to friendly forces for their exclusive use or control and without entering into, or being processed in, the local economy of the recipient country prior to such delivery:

The total budget estimate for this item is \$317,200,000 distributed as follows:

Yugoslavia-----	\$4, 000, 000	Korea-----	\$180, 000, 000
Iran-----	7, 500, 000	Philippines-----	2, 300, 000
Turkey-----	20, 000, 000	Thailand-----	8, 200, 000
Pakistan-----	20, 000, 000	Cambodia, Laos and Viet-	
China (Formosa)-----	37, 000, 000	nam-----	38, 200, 000

The House effected a \$12,200,000 reduction in this budget estimate, recommending the sum of \$305,000,000.

The committee has increased the sum to the full amount of the budget estimate of \$317,200,000 and has placed language in the bill to the effect that the additional \$12,200,000 is to be used for assistance to Formosa and Thailand, over and above the amount recommended in the budget estimate for these countries.

DEFENSE SUPPORT

Programs within this classification are designed to support the military efforts of certain countries which are receiving military assistance. Such support involves the provision of general supplemental resources required to support the defense program.

The difference between "defense support" and "direct forces support" can be broadly described as follows: Both forms of assistance are designed to make possible the creation or maintenance of a certain level of military forces. "Direct forces support" helps to do so by supplying—normally by import—goods and services that are directly delivered or rendered to, and which physically reach or benefit, the military forces involved. "Defense support," on the other hand, contributes to this objective more indirectly through providing to a country's general economy (rather than directly to its military establishment) resources which either (a) enable the recipient country to maintain a level of defense expenditures or undertake defense activities that would otherwise not be possible or (b) increase the recipient's capacity to do so in the future. The one form of assistance generally consists of articles (or services) which can be traced in a physical sense from a point of import into the country directly to a soldier who actually uses it or is served by it; the other form has its specific military impact as a country's economy is rendered capable of sustaining the desired enlargement of its defense burden.

Defense support, Europe.—The budget request and the amount of the House bill for this area totals \$70,000,000 and covers the following:

Spain	\$28, 000, 000
Yugoslavia	36, 500, 000
Technical exchange	5, 500, 000

In the Mutual Security Authorization Act for fiscal year 1956, Public Law 138, a total authorization of \$92,000,000 was allowed for this area, and the committee of conference expressed its unanimous view that at least \$50,000,000 of the total amount should, after satisfactory negotiation and agreement, be used for assistance to Spain.

The committee recommends an appropriation of \$85,500,000, covering the following:

Spain	\$50, 000, 000
Yugoslavia	30, 000, 000
Technical exchange	5, 500, 000

The committee has inserted language in the bill providing that at least \$50,000,000 of the sum recommended in this paragraph shall be available for Spain on a grant basis and stipulating that \$22,000,000 of the total sum for Spain shall be used for agricultural commodities.

Defense support, Near East and Africa.—The budget request and the amount of the House bill for this area is \$102,500,000 distributed to the following countries:

Greece	\$15, 000, 000
Iran	37, 500, 000
Turkey	50, 000, 000

The committee recommends an appropriation of \$113,700,000, an increase of \$11,200,000 over the House bill and the budget estimate. The amounts recommended by the committee are as follows:

Greece	\$26, 200, 000
Iran	37, 500, 000
Turkey	50, 000, 000

In recommending an appropriation of \$26,200,000 for Greece the committee is following the views expressed in the conference report on the authorizing legislation that Greece should receive not less than the amount available during the fiscal year 1955. This is also the sum for Greece passed by the House in the authorization bill.

Defense support, Asia.—For this area the budget requested a new appropriation of \$827,800,000.

The following breakdown was submitted in support of the request:

Pakistan	\$63, 000, 000
China (Formosa)	62, 000, 000
Korea	272, 000, 000
Philippines	19, 700, 000
Thailand	31, 800, 000
Cambodia, Laos, and Vietnam	379, 300, 000
Total	827, 800, 000

The House recommended an appropriation of \$775,000,000, a reduction of \$52,800,000.

The committee recommends an appropriation of \$827,800,000, the full amount of the budget estimate.

DEVELOPMENT ASSISTANCE

The term "development assistance" describes assistance given primarily to promote economic development or otherwise to create or maintain economic or political stability. In most nations for which it is proposed, development assistance will supplement programs of technical cooperation by providing supplies, commodities or funds.

Mutual-security program funds in fiscal year 1956 for development assistance will be used to help accelerate present rates of economic growth in the underdeveloped countries.

Development assistance differs from defense support in that the former is immediately directed toward goals which are not primarily military in character, whereas the latter has as its first aim, and controlling justification, the attainment of military objectives.

Development assistance, Near East and Africa.—The House approved the full amount of the budget estimate, \$73,000,000, for this area which includes the following countries: Egypt, Israel, Jordan, Lebanon, Libya, and Syria.

The committee concurs in the action of the House in recommending the full amount requested.

Development assistance, Asia.—The budget estimate for this area is \$71,000,000, of which \$70,000,000 is for India and \$1,000,000 for Nepal. The House recommended an appropriation of \$61,000,000, a reduction of \$10,000,000, and directed in its report that none of the reduction should be applied to Nepal. The committee has further reduced the sum to \$51,000,000 and none of the reduction should be applied to Nepal. The following additional language has been added to this paragraph in the bill:

: *Provided, That of the funds made available by this Act, no more than \$50,000,000 shall be available for assistance to India exclusive of funds provided for assistance authorized in section 304 (b) of the Mutual Security Act of 1954, as amended.*

Development assistance, American Republics.—The amount requested for this purpose, \$38,000,000, includes the following programs:

Bolivia.....	\$20, 000, 000
Guatemala.....	15, 000, 000
Haiti.....	3, 000, 000

The full amount of the budget estimate was approved by the House and the committee concurs in the action of the House.

TECHNICAL COOPERATION

Technical cooperation covers those programs for the sharing of our knowledge, experience, techniques, and skills with the peoples of the less developed areas of the world for the purpose of helping them to further their economic development and increase their standard of living. It was testified that these programs consist largely of advice, teaching, training, and the exchange of information.

Technical cooperation, general authorization.—The estimate for this purpose, \$146,500,000, provides the following amounts for the various areas involved:

Near East and Africa.....	\$41, 000, 000
Asia.....	66, 500, 000
Latin America.....	30, 000, 000
Interregional.....	9, 000, 000
Total.....	146, 500, 000

The House recommended an appropriation of \$125,000,000, a reduction of \$21,500,000 in the budget estimate.

The committee recommends an appropriation of \$130,000,000, an increase of \$5,000,000 in the House bill but a decrease of \$16,500,000 from the budget estimate. None of the reduction is to be applied to the Latin American program.

United Nations technical assistance.—The budget estimate for this program for the 18-month period from July 1, 1955, to December 31, 1956, is in the amount of \$24,000,000. The budget contemplated \$8,500,000 would be contributed for the last 6 months of calendar year 1955 and \$15,500,000 would be contributed for the calendar year 1956. The House recommended the full amount of the budget estimate, and the committee concurs in this recommendation.

Witnesses before the committee testified that the United States contribution, which was 53.6 percent of the total in 1954, would not exceed 50 percent in 1956.

Organization of American States.—The House recommended the full amount of the budget estimate of \$1,500,000 for contribution to the technical assistance program of the Organization of American States. The committee concurs in the action of the House.

SPECIAL PRESIDENTIAL FUND

The committee considered a budget estimate in the amount of \$100,000,000 for a special Presidential fund. The House recommended the full amount requested and the committee concurs in this action. The fund is designed to cover contingent or unforeseeable requirements which are likely to develop during fiscal year 1956 but which are not definite enough to be included in the regular programs provided for elsewhere. It is to be used for such purposes as the President may determine to be important to the security of the United States.

SPECIAL ASSISTANCE IN JOINT CONTROL AREAS

The House bill includes \$21,000,000, the full amount of the budget estimate, for the joint control areas of which \$20,000,000 is to maintain programs in West Berlin now in operation and \$1,000,000 is for technical exchange projects in Berlin, West Germany, and Austria.

The committee recommends the same amount as the House bill.

INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

The committee considered a budget estimate in the amount of \$12,500,000 for this organization. The House recommended an appropriation of \$10,000,000.

The committee has increased the sum to the \$12,500,000 requested.

The purpose of the Intergovernmental Committee for European Migration is to increase movement out of the overpopulated countries of Europe of migrants and refugees who are unlikely to be absorbed by the economies of those countries. Because of the lack of capital to provide employment or of land available for cultivation, Austria, Germany, Italy, Greece, and the Netherlands face the need of securing the emigration of some 3.5 million people in the next 5 to 10 years to Australia, Canada, New Zealand, the United States, and the Latin

American countries. Italy faces the need for securing the emigration of 300,000 persons annually, the Netherlands 60,000, Greece 35,000, and Germany, in spite of a high level of employment, is unable to provide land for some 60,000 peasant families comprising over 250,000 individuals.

UNITED NATIONS REFUGEE FUND

A budget estimate in the amount of \$1,400,000 was considered by the committee for the United Nations Refugee Fund. The House allowed \$1,000,000. The committee has increased the sum to the full amount requested. This fund is a 4-year fund to be financed by voluntary contributions and the amount requested of \$1,400,000 represents one-third of the \$4,200,000 required from all countries for the first year's operation. The purpose of the fund is to enable the United Nations High Commissioner for Refugees to undertake a program of permanent solutions of the problems of those refugees originating for the most part from World War II and its aftermath who still remain an economic drain on the countries of Western Europe.

ESCAPEE PROGRAM

This program provides for the reception, interim care and maintenance, and resettlement assistance to recent Soviet and satellite escapees in Europe and the conduct of assistance projects for certain groups or individuals in other areas of the world. The budget estimate is in the amount of \$6,000,000 and the House allowed the full sum requested. The committee concurs in the action of the House.

UNITED NATIONS CHILDREN'S FUND

The budget estimate for fiscal year 1956, in the amount of \$14,500,000 contemplates a supplemental United States contribution of \$4,800,000 for the balance of calendar 1955 and a contribution of \$9,700,000 for the calendar year 1956. The House recommended the full amount requested, and the committee concurs in this action. This program concentrates on activities of permanently improving child health conditions and provides an impetus to programs which assisted countries will eventually carry on by themselves.

UNITED NATIONS RELIEF AND WORKS AGENCY

This program, frequently referred to as the Palestine refugee program, provides for the relief and rehabilitation of nearly 1 million Arabs who were former residents of what is now Israel. The budget estimate for this purpose provided for a direct appropriation of \$61,366,750 and a reappropriation of \$3,633,250 of unobligated funds for a total of \$65,000,000. Of this amount, \$16,500,000 was requested for relief programs and \$48,500,000 for reintegration projects. The House has approved the reappropriation of \$3,633,250 in unobligated funds and a new appropriation of \$56,366,750 for a total of \$60,000,000 a reduction of \$5,000,000 in the total funds requested.

The committee recommends the full amount of the unobligated balances of \$3,633,250 together with an appropriation of \$60,366,750 or a total of \$64,000,000, which is an increase of \$4,000,000 in the House bill and a reduction of \$1,000,000 from the budget estimate.

NORTH ATLANTIC TREATY ORGANIZATION

The budget estimate for contribution to the NATO civilian headquarters budget for ordinary expenses is in the amount of \$1,225,000 and the estimate for the United States contribution to the special building fund is in the amount of \$2,475,000 or a total request of \$3,700,000. The House recommended the full amount requested, and the committee concurs in this action.

OCEAN FREIGHT CHARGES—VOLUNTARY RELIEF SHIPMENTS

A budget estimate in the amount of \$2,000,000 was submitted to continue the payment of ocean freight on shipments of relief and rehabilitation supplies by approved American nonprofit voluntary agencies engaged in humanitarian activities abroad. The House reduced the amount requested to \$1,500,000 which is the same sum that was available for the fiscal year 1955. It was reported to the committee that during the fiscal year 1955 the sum of \$1,500,000 was required to ship relief supplies valued at \$23,250,000.

The committee concurs in the action of the House and recommends an appropriation of \$1,500,000. It would appear from improved conditions and the rehabilitation that has taken place that this amount will be sufficient; however, in the event relief shipments are such that additional funds are needed the committee will consider a supplemental budget estimate after the first of the year.

OCEAN FREIGHT—SURPLUS AGRICULTURAL COMMODITIES

Title II of the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, provides that up to \$300,000,000 worth of surplus commodities held by the Commodity Credit Corporation may be used over a 3-year period to provide assistance to friendly peoples in meeting famine or other urgent relief requirements. Under title III of this same act, surplus agricultural commodities may be made available to eligible United States voluntary agencies for distribution overseas to needy people under certain circumstances. Payment of the ocean freight costs involved in moving the commodities provided under both titles is not authorized in Public Law 480 and therefore must be funded from one or more of the following sources:

1. The government receiving the surpluses.
2. The resources available to the voluntary agencies.
3. Mutual security funds.

The portion of the mutual security funds specifically programed for this purpose in fiscal year 1956 is in the amount of \$13,000,000 which was reduced by the House to \$10,000,000. The committee has restored the sum to \$13,000,000, an increase of \$3,000,000 in the House bill.

CONTROL ACT EXPENSES

The committee concurs in the action of the House in recommending the full amount of the budget estimate of \$1,175,000 for conducting operations under the Mutual Defense Assistance Control Act, which establishes controls on exports for security purposes.

PRESIDENT'S FUNDS FOR ASIAN ECONOMIC DEVELOPMENT

The committee considered a budget estimate in the amount of \$200,000,000 for this program. This is a new item to provide a fund to be used by the President to accomplish in the free Asian area policies and purposes declared in the Mutual Security Act of 1954, as amended. The authorizing legislation provides that not less than 50 percent of the funds provided under this section is to be available for assistance on terms of repayment, and that not more than 25 percent may be allocated for assistance to any one nation. The House recommended an appropriation of \$100,000,000, a reduction of \$100,000,000 in the budget estimate, stating that only \$100,000,000 would be obligated during the fiscal year 1956.

The committee recommends an appropriation of \$150,000,000, an increase of \$50,000,000 in the House bill. The committee has included language in the bill authorizing the funds to remain available until June 30, 1958.

GENERAL PROVISIONS

LIMITATION ON YEAR-END OBLIGATIONS

The following provision included in the bill in the House has been amended as indicated:

SEC. 106. Not more than 20 per centum of any funds made available by this Act shall be obligated and/or reserved during the last two months of the fiscal year. : *Provided, That whenever the President determines that an emergency condition requires obligations and/or reservations in excess of the 20 per centum limitation during the last two months of the fiscal year, this provision shall not prevail: Provided further, That whenever the President makes such a determination, he shall advise the Senate and the House of Representatives immediately.*

COMPARATIVE STATEMENT OF FUNDS AVAILABLE FOR 1955, ESTIMATES FOR 1956, AND AMOUNTS RECOMMENDED IN HOUSE BILL FOR 1956

MUTUAL SECURITY APPROPRIATION BILL, 1956

11

Items	A available, ¹ 1955	Budget esti- mates, ² 1956, following authorization	Recommended in House bill for 1956	Recommended by Senate com- mittee, 1956	Senate bill compared with--		
					Available funds, 1955	Estimated, 1956	House bill
MUTUAL DEFENSE ASSISTANCE							
Military assistance:							
Appropriation.....	\$1, 020, 973, 387	\$1, 125, 000, 000	\$705, 000, 000	\$1, 125, 000, 000	+\$104, 026, 613		+\$420, 000, 000
Unobligated and unreserved balance.....	2, 422, 512, 729	33, 900, 000	33, 900, 000	33, 900, 000	-2, 388, 612, 729		
Direct forces support.....	3, 443, 486, 116	1, 158, 900, 000	738, 900, 000	1, 158, 900, 000	-2, 284, 586, 116		+\$420, 000, 000
Defense support:	4 365, 760, 000	317, 200, 000	305, 000, 000	317, 200, 000	-48, 560, 000		+\$12, 200, 000
Europe.....	142, 760, 000	70, 000, 000	70, 000, 000	85, 500, 000	-57, 260, 000	+\$15, 500, 000	+\$15, 500, 000
Near East and Africa.....	192, 903, 000	102, 500, 000	102, 500, 000	113, 700, 000	-79, 203, 000	+\$11, 200, 000	+\$11, 200, 000
Asia:							
Appropriation.....	826, 914, 808	827, 800, 000	775, 000, 000	827, 800, 000	+885, 192		+\$52, 800, 000
Unobligated balance.....	\$ 32, 200, 000	25, 000, 000	25, 000, 000	25, 000, 000	-7, 200, 000		
Total, Asia.....	859, 114, 808	852, 800, 000	800, 000, 000	852, 800, 000	-6, 314, 808		+\$52, 800, 000
Total, defense support:							
Appropriation.....	1, 162, 577, 808	1, 000, 300, 000	947, 500, 000	1, 027, 000, 000	-135, 577, 808	+\$26, 700, 000	+\$79, 500, 000
Unobligated balance.....	32, 200, 000	25, 000, 000	25, 000, 000	25, 000, 000	-7, 200, 000		
Total, mutual defense assistance:	1, 194, 777, 808	1, 025, 300, 000	972, 500, 000	1, 052, 000, 000	-142, 777, 808	+\$26, 700, 000	+\$79, 500, 000
Appropriation.....	2, 549, 311, 195	2, 442, 500, 000	1, 957, 500, 000	2, 469, 200, 000	-80, 111, 195	+\$26, 700, 000	+\$511, 700, 000
Unobligated balance.....	2, 454, 712, 729	58, 900, 000	58, 900, 000	58, 900, 000	-2, 395, 812, 729		
	5, 004, 023, 924	2, 501, 400, 000	2, 016, 400, 000	2, 528, 100, 000	-2, 475, 923, 924	+\$26, 700, 000	+\$511, 700, 000

See footnotes at end of table, p. 13,

Comparative statement of funds available for 1955, estimates for 1956, and amounts recommended in House bill for 1956—Con.

Items	Available, ¹ 1955	Budget esti- mates, ² 1956, following authorization	Recommended in House bill for 1956	Recommended by Senate com- mittee, 1956	Senate bill compared with—		
					Available funds, 1955	Estimated, 1956	House bill
DEVELOPMENT ASSISTANCE							
Near East and Africa.....	\$91,400,000	\$73,000,000	\$73,000,000	\$73,000,000	—\$18,400,000		
South Asia.....	60,500,000	71,000,000	61,000,000	51,000,000	—9,500,000	—\$20,000,000	—\$10,000,000
American Republics.....	12,700,000	38,000,000	38,000,000	38,000,000	+25,300,000		
Total, development assistance.....	164,600,000	182,000,000	172,000,000	162,000,000	—2,600,000	—20,000,000	—10,000,000
TECHNICAL COOPERATION							
General authorization.....	108,397,000	146,500,000	125,000,000	130,000,000	+21,603,000	—16,500,000	+5,000,000
United Nations program.....	16,457,621	24,000,000	24,000,000	24,000,000	+7,542,379		
Organization of American States.....	1,500,000	1,500,000	1,500,000	1,500,000			
Total, technical cooperation.....	126,354,621	172,000,000	150,500,000	155,500,000	+29,145,379	—16,500,000	+5,000,000
OTHER PROGRAMS							
Special Presidential fund.....		100,000,000	100,000,000	100,000,000	+100,000,000		
Special assistance in joint control areas.....	24,594,500	21,000,000	21,000,000	21,000,000	—3,594,500		
Intergovernmental Committee for European Migration:							
Appropriation.....	10,000,000	12,500,000	10,000,000	12,500,000	+2,500,000		+2,500,000
Unobligated balance.....	500,000				—500,000		
	10,500,000	12,500,000	10,000,000	12,500,000	+2,000,000		+2,500,000
United Nations Refugee Fund							
Escapee program.....	6,250,000	1,400,000	1,000,000	1,400,000	+1,400,000		+400,000
United Nations Children's Fund.....	12,500,000	6,000,000	6,000,000	6,000,000	—250,000		
		14,500,000	14,500,000	14,500,000	+2,000,000		

United Nations Relief and Works Agency:									
Appropriation.....		61,366,750	56,366,750	60,366,750	+60,366,750	-1,000,000		+4,000,000	
Unobligated balance.....	23,063,250	3,633,250	3,633,250	3,633,250					
North Atlantic Treaty Organization.....	23,063,250	65,000,000	60,000,000	64,000,000	+40,936,750	-1,000,000		+4,000,000	
Ocean freight charges:	1,169,000	3,700,000	3,700,000	3,700,000	+2,531,000				
United States voluntary relief agencies.....	1,500,000	2,000,000	1,500,000	1,500,000		-500,000			
Surplus agricultural commodities.....	7,300,000	13,000,000	10,000,000	13,000,000	+5,700,000			+3,000,000	
Control Act expenses.....	8,800,000	15,000,000	11,500,000	14,500,000	+5,700,000	-500,000		+3,000,000	
Administrative expenses.....	1,175,000	1,175,000	1,175,000	1,175,000					
President's fund for Asian economic development.....	32,500,000	33,500,000	33,500,000	33,500,000	+1,000,000				
Special programs.....		200,000,000	100,000,000	150,000,000	+150,000,000	-50,000,000		+50,000,000	
	33,845,500				-33,845,500				
Total, other programs:									
Appropriation.....	130,834,000	470,141,750	358,741,750	418,641,750	+287,807,750	-51,500,000		+59,900,000	
Unobligated balance.....	23,563,250	3,633,250	3,633,250	3,633,250	-19,930,000				
Undistributed unobligated balance.....	154,397,250	473,775,000	362,375,000	422,275,000	+267,877,750	-51,500,000		+59,900,000	
Total mutual security:					+21,366,750			+21,366,750	
Appropriation.....	2,971,099,816	3,266,641,750	2,638,741,750	3,205,341,750	+234,241,934	-61,300,000		+566,600,000	
Unobligated balance.....	2,478,275,979	83,900,000	62,533,250	83,900,000	-2,394,375,979			+21,366,750	
	5,449,375,795	3,350,541,750	2,701,275,000	3,289,241,750	-2,160,134,045	-61,300,000		+587,966,750	

¹ Reflect purposes for which funds used rather than purposes for which initially appropriated.

² Unobligated balances based on estimates received from Foreign Operations Administration.

³ Includes \$122 million for Infrastructure.

⁴ Includes \$189,600,000 nonmutual security funds (Department of Defense appropriation).

tions) programmed in Korea for direct forces support and \$35 million for production for forces support.

⁵ Unobligated balance of \$16 million carried forward for United Nations Korean Reconstruction Agency, and unobligated balance of \$16,200,000 transferred from "Civilian relief in Korea, Army."

⁶ Includes \$2,730,000 transferred to "Development assistance, Near East and Africa."

Calendar No. 1040

54TH CONGRESS
1ST SESSION

H. R. 7224

[Report No. 1033]

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JULY 11), 1955

Read twice and referred to the Committee on Appropriations

JULY 19, 1955

Reported, under authority of the order of the Senate of July 19, 1955, by Mr.
HAYDEN, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for Mutual Security for the fiscal year
ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1956, namely:

6 MUTUAL SECURITY

7 For expenses necessary to enable the President to carry
8 out the provisions of the Mutual Security Act of 1954, as
9 amended (Public Law 665, approved August 26, 1954,

1 as amended by Public Law 138, Eighty-fourth Congress),
 2 as follows:

3 Military assistance: For assistance authorized by section
 4 103 (a) (2), including not to exceed \$23,250,000 for
 5 administrative expenses to carry out the purposes of title I,
 6 chapter 1, and section 124, *to remain available until ex-*
 7 *pended, \$705,000,000, \$1,125,000,000*, of which \$122,000,-
 8 000 shall be available for infrastructure as authorized by
 9 section 104 (a) ; ~~and in addition not to exceed \$33,900,000~~
 10 ~~of unobligated and unreserved funds heretofore appropriated~~
 11 ~~under authority of section 103 (a) (1) of the Mutual~~
 12 ~~Security Act of 1954, as amended, are continued available~~
 13 ~~until June 30, 1956, for the purposes of section 103 (a) (2);~~

14 Direct forces support: For assistance authorized by sec-
 15 tion 124, \$305,000,000 *and in addition \$12,200,000 for*
 16 *additional assistance to Formosa and Thailand;*

17 Defense support, Europe: For assistance authorized by
 18 section 131 (c) (1) ~~\$70,000,000~~ \$85,500,000: *Provided,*
 19 *That at least \$50,000,000, on a grant basis, shall be made*
 20 *available for assistance to Spain exclusive of Technical Ex-*
 21 *change: Provided further, That not less than \$22,000,000*
 22 *of the amount available for Spain shall be used for agri-*
 23 *cultural commodities;*

24 Defense support, Near East and Africa: For assistance
 25 authorized by section 131 (c) (2), ~~\$102,500,000~~ \$113,-

1 700,000 including not less than \$26,200,000 for assistance
2 to Greece;

3 Defense support, Asia: For assistance authorized by
4 section 131 (c) (3), ~~\$775,000,000~~ \$827,800,000; and
5 in addition not to exceed \$25,000,000 of unobligated bal-
6 ances of funds heretofore appropriated under authority of
7 section ~~124~~ of the Mutual Security Act of 1954, as amended,
8 are hereby continued available through June 30, 1956;

9 Development assistance, Near East and Africa: For
10 assistance authorized by section 201 (c) for purposes of
11 section 201 (a) (1), \$73,000,000;

12 Development assistance, Asia: For assistance author-
13 ized by section 201 (c) for purposes of section 201 (a)
14 (2), ~~\$61,000,000~~ \$51,000,000: *Provided, That of the*
15 *funds made available by this Act, no more than \$50,000,000*
16 *shall be available for assistance to India exclusive of funds*
17 *provided for assistance authorized in section 304 (b) of the*
18 *Mutual Security Act of 1954, as amended;*

19 Development assistance, American Republics and non-
20 self-governing territories of the Western Hemisphere: For
21 assistance authorized by section 201 (c) for purposes of
22 section 201 (a) (3), \$38,000,000;

23 Technical cooperation, general authorization: For assist-
24 ance authorized by section 304 (b), ~~\$125,000,000~~ \$130,-
25 000,000;

1 United Nations expanded program of technical assist-
2 ance: For contributions authorized by section 306 (a),
3 \$24,000,000, which shall constitute the total United States
4 contribution through December 31, 1956;

5 Technical cooperation programs of the Organization of
6 American States: For contributions authorized by section
7 306 (b), \$1,500,000;

8 Special Presidential Fund: For assistance authorized by
9 section 401 (b), \$100,000,000;

10 Special assistance in joint control areas in Europe: For
11 assistance authorized by section 403 (b), \$21,000,000;

12 Intergovernmental Committee for European Migration:
13 For contributions authorized by section 405 (a), ~~\$10,000,-~~
14 ~~000~~ \$12,500,000: *Provided*, That no funds appropriated in
15 this Act shall be used to assist directly in the migration to any
16 nation in the Western Hemisphere of any person not having
17 a security clearance based on reasonable standards to insure
18 against Communist infiltration in the Western Hemisphere;

19 United Nations Refugee Fund: For contributions
20 authorized by section 405 (c), ~~\$1,000,000~~ \$1,400,000;

21 Escapee program: For assistance authorized by section
22 405 (d), \$6,000,000;

23 United Nations Children's Fund: For contributions
24 authorized by section 406 (b), \$14,500,000, which shall

1 constitute the total United States contribution through
2 December 31, 1956;

3 United Nations Relief and Works Agency: For con-
4 tributions authorized by section 407 (b), ~~\$56,366,750~~
5 ~~\$60,366,750~~; and in addition not to exceed ~~\$3,633,250~~ of
6 the unobligated balances of funds appropriated under the
7 head "Palestine Refugee Program" in the Mutual Security
8 Appropriation Act, 1954, are continued available through
9 June 30, 1956, for the purposes authorized by section 407;

10 North Atlantic Treaty Organization: For payments
11 authorized by section 408, \$3,700,000;

12 Ocean freight charges, United States voluntary relief
13 agencies: For payments authorized by section 409 (c),
14 \$1,500,000;

15 Ocean freight charges, surplus agricultural commodities:
16 For payments authorized by section 409 (d), ~~\$10,000,000~~
17 ~~\$13,000,000~~;

18 Control Act expenses: For carrying out the purposes of
19 the Mutual Defense Assistance Control Act of 1951, as
20 authorized by section 410, \$1,175,000;

21 Administrative expenses: For expenses authorized by
22 section 411, \$33,500,000;

23 President's Fund for Asian Economic Development:
24 For the President's Fund for Asian Economic Development

1 as authorized by section 418 (b), ~~\$100,000,000~~ \$150,000,-
2 000 to remain available until June 30, 1958.

3 *To the extent authorized by the Mutual Security Act of*
4 *1955, the unexpended balances of funds appropriated under*
5 *authority of the Mutual Security Act of 1954 (except for*
6 *\$100,000,000) are hereby continued available for the general*
7 *purposes for which appropriated, and may be consolidated*
8 *with appropriations made available for the same general*
9 *purposes in this Act.*

10 GENERAL PROVISIONS

11 SEC. 102. Appropriations in this Act for the purposes
12 of chapters 2 (except for section 124) and 3 of title I and
13 titles II, III, and IV of the Mutual Security Act of 1954,
14 as amended, and allocations to the Department of State, from
15 any other appropriations, for functions directly related to the
16 purposes of the Mutual Security Act of 1954, as amended,
17 or for use by the International Cooperation Administration
18 for other purposes authorized by law shall be available for
19 rents in the District of Columbia; expenses of attendance
20 at meetings concerned with the purposes of such appropria-
21 tions, including (notwithstanding the provision of section 9
22 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses
23 in connection with meetings of persons whose employment is
24 authorized by section 530 of the Mutual Security Act of
25 1954, as amended; employment of aliens, by contract, for

1 services abroad; maintenance, operation, and hire of aircraft;
2 purchase (not to exceed two for replacement only) and hire
3 of passenger motor vehicles and, in addition, passenger motor
4 vehicles abroad may be exchanged or sold and replaced by
5 an equal number of such vehicles and the cost, including
6 the exchange allowance, of each such replacement shall not
7 exceed \$3,000 in the case of an automobile for the chief of
8 any special mission or staff abroad established under section
9 526 of the Mutual Security Act of 1954, as amended; enter-
10 tainment within the United States (not to exceed \$15,000) ;
11 exchange of funds without regard to section 3651 of the
12 Revised Statutes (31 U. S. C. 543) ; loss by exchange;
13 expenditures (not to exceed \$50,000) of a confidential
14 character other than entertainment, provided that a certifi-
15 cate of the amount of each such expenditure, the nature of
16 which it is considered inadvisable to specify, shall be made
17 by the Secretary of State, or such person as he may desig-
18 nate, and every such certificate shall be deemed a sufficient
19 voucher for the amount therein specified; insurance of official
20 motor vehicles in foreign countries; rental of quarters outside
21 the continental limits of the United States to house employees
22 of the United States Government (without regard to section
23 322 of the Act of June 30, 1932, as amended (40 U. S. C.
24 278a)), lease, necessary repairs and alterations to quarters;
25 actual expenses of preparing and transporting to their former

1 homes in the United States or elsewhere the remains of
2 persons or members of the families of persons who may die
3 while such persons are away from their homes participating
4 in activities under the Mutual Security Act of 1954, as
5 amended, or other Act directly related to the purposes of the
6 Mutual Security Act of 1954, as amended; purchase of
7 uniforms; employment of chauffeurs for passenger carrying
8 vehicles abroad notwithstanding the provisions of any other
9 law; medical examinations of dependents of overseas per-
10 sonnel or candidates for overseas positions on the same basis
11 as for employees or candidates; payment of per diem in lieu
12 of subsistence to persons participating in any program of
13 furnishing technical information and assistance, while in
14 countries other than their own and other than the continental
15 United States, at rates not in excess of those prescribed by
16 the Standardized Government Travel Regulations, notwith-
17 standing section 107 of the Department of State Appropria-
18 tion Act, 1956; expenses authorized by the Foreign Service
19 Act of 1946, as amended (22 U. S. C. 801-1158), not
20 otherwise provided for; ice and drinking water for use
21 abroad; and services of commissioned officers of the Public
22 Health Service and of the Coast and Geodetic Survey, and
23 for the purposes of providing such services the Public Health
24 Service may appoint not to exceed twenty officers in the
25 Regular Corps to grades above that of senior assistant, but

1 not above that of director, as otherwise authorized in accord-
2 ance with section 711 of the Act of July 1, 1944, as amended
3 (42 U. S. C. 211a), and the Coast and Geodetic Survey
4 may appoint for such purposes not to exceed twenty com-
5 missioned officers in addition to those otherwise authorized:
6 *Provided*, That no part of the administrative expenses shall
7 be used to pay the salary of any civilian employee at a rate
8 greater than that paid by the State Department for com-
9 parable work or services in the same area: *Provided further*,
10 That appropriations made under this Act shall be available
11 for expenses in connection with travel of personnel outside
12 the continental United States, including travel of dependents
13 and transportation of personal effects, household goods, or
14 automobiles of such personnel when any part of such travel
15 or transportation begins in the current fiscal year pursuant
16 to travel orders issued in that fiscal year, notwithstanding
17 the fact that such travel or transportation may not be com-
18 pleted during the current fiscal year, and cost of transporting
19 to and from a place of storage, and the cost of storing, the
20 furniture and household and personal effects of any employee
21 who is assigned to a post at which he is unable to use his
22 furniture and effects, under such regulations as the Secretary
23 of State, or such person as he may designate, may prescribe:
24 *Provided further*, That no part of any appropriation con-
25 tained in this Act shall be available for expense of transpor-

1 tation, packing, crating, temporary storage, drayage, and
2 unpacking of household goods and personal effects in excess
3 of an average of five thousand pounds net but not exceeding
4 nine thousand pounds net in any one shipment, but the
5 limitations imposed herein shall not be applicable in the case
6 of employees transferred to or serving in stations outside the
7 continental United States under orders relieving them from
8 a duty station within the United States prior to August 1,
9 1953.

10 SEC. 103. Payments made from funds appropriated
11 herein for engineering fees and services to any individual
12 engineering firm on any one project in excess of \$25,000
13 shall be reported to the Committees on Appropriations of
14 the Senate and House of Representatives at least twice an-
15 nually.

16 SEC. 104. Pursuant to section 1415 of the Supplemental
17 Appropriation Act, 1953, and in addition to other amounts
18 made available pursuant to said section, not to exceed the
19 equivalent of \$25,000,000 of foreign currencies or credits
20 owed to or owned by the United States shall remain avail-
21 able until June 30, 1956, without reimbursement to the
22 Treasury, for liquidation of obligations incurred against such
23 currencies or credits prior to July 1, 1953, pursuant to au-
24 thority contained in the Mutual Security Act of 1951, as
25 amended, and Acts for which funds were authorized by that

1 Act and hereafter, foreign currencies generated under the
2 provisions of this Act shall be utilized only for the purposes
3 for which the funds providing the commodities which gen-
4 erated the currency were appropriated.

5 SEC. 105. None of the funds provided by this Act nor
6 any of the counterpart funds generated as a result of assist-
7 ance under this or any other Act shall be used to make pay-
8 ments on account of the principal or interest on any debt of
9 any foreign government or on any loan made to such govern-
10 ment by any other foreign government; nor shall any of
11 these funds be expended for any purpose for which funds
12 have been withdrawn by any recipient country to make
13 payment on such debts.

14 SEC. 106. Not more than 20 per centum of any funds
15 made available by this Act shall be obligated and/or reserved
16 during the last two months of the fiscal year: *Provided, That*
17 *whenever the President determines that an emergency condi-*
18 *tion requires obligations and/or reservations in excess of the*
19 *20 per centum limitation during the last two months of the*
20 *fiscal year, this provision shall not prevail: Provided further,*
21 *That whenever the President makes such a determination, he*
22 *shall advise the Senate and the House of Representatives*
23 *immediately.*

24 SEC. 107. The appropriations, authorizations, and au-
25 thority with respect thereto in this Act shall be available

1 from July 1, 1955, for the purposes provided in such appro-
2 priations, authorizations, and authority. All obligations
3 incurred during the period between June 30, 1955, and the
4 date of enactment of this Act in anticipation of such appro-
5 priations, authorizations, and authority are hereby ratified
6 and confirmed if in accordance with the terms hereof.

7 *SEC. 108. Funds heretofore or hereafter allocated to the*
8 *Department of Defense from any appropriation for military*
9 *assistance (including funds consolidated with any such ap-*
10 *propriation but excepting funds obligated directly against*
11 *any such appropriation for offshore procurement or other-*
12 *purposes) shall be accounted for by geographic area and*
13 *by country solely on the basis of the value of materials de-*
14 *livered and services performed (such value to be determined*
15 *in accordance with the applicable provisions of law govern-*
16 *ing the administration of military assistance). Within the*
17 *limits of amounts available from funds so allocated, the De-*
18 *partment of Defense is authorized to incur, in applicable*
19 *appropriations, obligations in anticipation of reimbursement*
20 *from such allocations, and no funds so allocated and avail-*
21 *able shall be withdrawn by administrative action until the*
22 *Secretary of Defense shall certify that they are not required*
23 *for liquidation of obligations so incurred. Unobligated*
24 *amounts of such allocations equal to the value of orders placed*
25 *with the military departments against such allocations shall*

1 *be reserved and shall remain available until expended, for*
2 *making such reimbursements (except in case of funds obli-*
3 *gated directly against such allocations) only upon the basis*
4 *of materials delivered and services rendered: Provided, That*
5 *reports of items to be delivered against funds reserved as*
6 *provided herein shall be furnished quarterly by the Secretary*
7 *of Defense to the Committees on Appropriations of the Senate*
8 *and the House of Representatives and, not less often than once*
9 *each quarter, said Secretary shall make a detailed report to*
10 *the Committees on Appropriations of the Senate and the*
11 *House of Representatives, on a delivery or service-rendered*
12 *basis, on all military assistance funds allocated and available*
13 *to the Department of Defense as of the end of the preceding*
14 *quarter: Provided further, That no reimbursements for ma-*
15 *terials or services shall be made after June 30, 1955, until*
16 *the value of materials delivered and services performed shall*
17 *equal the amount of expenditures made from all appropria-*
18 *tions herein and heretofore made for military assistance as of*
19 *said date: Provided further, That in the event the President*
20 *shall determine that supplies and equipment ordered against*
21 *funds so allocated are required for the defense of the United*
22 *States, the amount allocated for supplies and materials re-*
23 *quired for such purpose shall be returned to the appropriation*
24 *from which allocated: Provided further, That funds appro-*
25 *priated in this Act for military assistance (including funds*

1 consolidated with any such appropriation), shall be main-
2 tained in one account, and funds made available to the De-
3 partment of Defense under section 401 of the Mutual Security
4 Act of 1954, as amended, may be, where authorized by the
5 President, maintained in such account, which shall be used
6 for all transactions involving military assistance.

7 SEC. ~~108~~ 109. No part of any appropriation contained in
8 this Act shall be used to pay the salary or wages of any
9 person who engages in a strike against the Government of
10 the United States or who is a member of an organization of
11 Government employees that asserts the right to strike
12 against the Government of the United States, or who advo-
13 cates, or is a member of an organization that advocates,
14 the overthrow of the Government of the United States by
15 force or violence: *Provided*, That for the purposes hereof
16 an affidavit shall be considered prima facie evidence that the
17 person making the affidavit has not contrary to the provi-
18 sions of this paragraph engaged in a strike against the Gov-
19 ernment of the United States, is not a member of an organ-
20 ization of Government employees that asserts the right to
21 strike against the Government of the United States, or that
22 such person does not advocate, and is not a member of an
23 organization that advocates, the overthrow of the Govern-
24 ment of the United States by force or violence: *Provided*
25 *further*, That any person who engages in a strike against

1 the Government of the United States or who is a member
2 of an organization of Government employees that asserts the
3 right to strike against the Government of the United States,
4 or who advocates, or who is a member of an organization
5 that advocates, the overthrow of the Government of the
6 United States by force or violence and accepts employment
7 the salary or wages for which are paid from any appropria-
8 tion or fund contained in this or any other Act shall be guilty
9 of a felony and, upon conviction, shall be fined not more
10 than \$1,000 or imprisoned for not more than one year, or
11 both: *Provided further*, That the above penalty clause shall
12 be in addition to, and not in substitution for, any other pro-
13 visions of existing law.

14 SEC. ~~109~~ 110. This Act may be cited as the “Mutual
15 Security Appropriation Act, 1956”.

Passed the House of Representatives July 11, 1955.

Attest: RALPH R. ROBERTS,
Clerk.

84TH CONGRESS
1ST SESSION

H. R. 7224

[Report No. 1033]

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

JULY 12 (legislative day, JULY 11), 1955

Read twice and referred to the Committee on Appropriations

JULY 19, 1955

Reported with amendments

1915 was prepared by a joint committee of the land-grant colleges and the Department of Agriculture to overcome certain personnel difficulties in cooperative work with the States and provides for the interchange of employees by the Department of Agriculture and State and local governments. Department employees interchanged would be either, first, on detail, entitled to salary and all other benefits from the Department, but subject to such State or local supervision as might be agreed upon; or, second, on leave without pay, with all rights of that status plus (a) such annual and sick leave as approved by the Secretary, (b) credit toward periodic and longevity step increases, (c) credit toward retirement upon payment of the appropriate percentage or State pay into the retirement funds, and (d) benefits under the Federal Employees' Compensation Act, unless they elected to receive similar State or local benefits. Transportation expenses in moving employees on either a detail or leave basis to their State assignments and back to their Federal official stations would be paid by the Department, but travel while on State assignment would not be paid by the Department."

17. CCC. Received from this Department a draft of proposed legislation to increase the borrowing authority of CCC from \$10 billion to \$12 billion; to Agriculture and Forestry Committee (p. 9567).

18. RECLAMATION. Concurred in the House amendment to S. 1177, for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation (p. 9592). This bill will now be sent to the President.

The Interior and Insular Affairs Committee reported with amendment S. 926, to authorize the construction of the Ventura River reclamation project, Calif. (S. Rept. 1071); S. 1194, to provide for construction of the Red Willow Dam, Nebr. (S. Rept. 1066); S. 730, to authorize water compact between the States of Kans. and Okla. for the waters of the Ark. River (S. Rept. 1067); and S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (S. Rept. 1073) (p. 9570).

19. FOREIGN AID. Made its unfinished business H. R. 7224, the mutual security appropriation bill for 1956 (p. 9592).

20. WATER COMPACT. Passed as reported S. 2260, consenting to a compact among Ark., La., Okla., and Tex. for an apportionment of the waters of the Red River and its tributaries (p. 9590).

21. MINIMUM WAGE. Conferees were appointed on S. 2168, to raise the minimum wage to \$1 per hour (p. 9598). House conferees were appointed July 20.

22. PRICE SUPPORTS. The "Daily Digest" states that the Rules Committee reported without amendment S. Res. 123, authorizing additional funds of \$20,000 for the Agriculture and Forestry Committee to conduct field hearings on farm price support programs (no written report) (pp. D749-50).

23. SURPLUS PROPERTY. The Government Operations Committee ordered reported without amendment S. 2591, in lieu of S. 2367, a related bill, to amend the Federal Property and Administrative Services Act of 1949 with respect to utilization and disposal of excess and surplus property under the control of executive agencies (p. D753).

24. LEGISLATIVE PROGRAM. Sen. Clements announced that there would be a call of the calendar today (p. 9591).

BILLS INTRODUCED

25. FOREIGN TRADE. H. R. 7524, by Rep. Blitch, to amend the Tariff Act of 1930 to reduce the rate of duty on jute yarn when used wholly in the manufacture of backing for tufted rugs and carpets; to Ways and Means Committee (p. 9650).
26. PERSONNEL. H. R. 7525, by Rep. Buckley, to amend sec. 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 9650).
H. R. 7530, by Rep. Freylinghuysen, relating to reduction in personnel procedure and preference of veterans; to Post Office and Civil Service Committee (p. 9650).
H. R. 7531, by Rep. Freylinghuysen, relating to appeals by veterans under sec. 14 of the Veterans' Preference Act of 1944; to Post Office and Civil Service Committee (p. 9650).
27. RESEARCH. H. R. 7532, by Rep. Freylinghuysen, to provide for a Federal Advisory Council of Health in the Executive Office of the President in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government; to Interstate and Foreign Commerce Committee (p. 9650).
28. FORESTS. H. R. 7537, by Rep. Matthews, to establish the policy of Congress with respect to public use of the national forests and to provide for the development and maintenance of facilities for public use; to Agriculture Committee (p. 9650).
29. CCC. H. R. 7541, by Rep. Spence, to increase the borrowing power of Commodity Credit Corporation; to Banking and Currency Committee (p. 9650).
30. WATER RESOURCES. S. 2601, by Sen. Fulbright, authorizing the Secretary of the Interior to make a comprehensive survey and study of the ground-water resources of the Mississippi Valley embayment area; to Interior and Insular Affairs Committee (p. 9571). Remarks of author (pp. 9572-3).

ITEMS IN APPENDIX

31. APPLE PRICES. Rep. Quigley inserted an article from the Shippensburg (Pa.) News-Chronicle criticizing the President's veto of the bill to prohibit USDA from publishing predictions of the apple crop (p. A5376).
32. FOOD AND DRUGS. Sen. Wiley inserted a Milwaukee Journal editorial deploring the cut in funds of the FDA and expressed the hope that remedial action will be taken (p. A5347).
33. IMMIGRATION. Sen. Kennedy inserted an Italian News, Boston, Mass., article commending his proposal to create a Commission to study the McCarran-Walter Act and offer suggestions for changes therein (p. A5347).
34. MINIMUM WAGE. Extension of remarks of Rep. Bentley and insertion of a constituent's letter criticizing labor union practices (p. A5354).

a tributary of the Verdigris River, to Lake O' the Osages Dam and Lake O' the Osages, respectively.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and to insert:

That the Hulah Reservoir back of Hulah Dam, which is located on the Caney River, a tributary of the Verdigris River in Oklahoma, shall hereafter be known as Lake O' the Osages and any law, regulation, document, or record of the United States in which such reservoir is designated or referred to under the name of Hulah Reservoir shall be held to refer to such body of water under and by the name of Lake O' the Osages.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to change the name of Hulah Reservoir above Hulah Dam, Caney River, Okla. and Kans., to Lake O' the Osages."

ORDER FOR ADJOURNMENT TO 10:30 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10:30 a. m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR

Mr. CLEMENTS. Mr. President, I should like to state at this time that immediately following the morning business tomorrow there will be a call of the calendar. This is at least somewhat in line with previous arrangements; but, for fear that it may be slightly out of line, I ask unanimous consent that following the morning hour tomorrow there be a call of the calendar of the bills to which there is no objection.

Mr. WILLIAMS. Mr. President, has the Senator from Kentucky discussed it with the minority leader?

Mr. CLEMENTS. I have discussed it with the minority leader. The acting majority leader and the minority leader have discussed it just as we discuss all other matters incident to the program. We are both in accord with desiring to push matters along as rapidly as we can, looking toward adjournment at the earliest possible date.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORDATION OF SCRIP

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 887, House bill 2972.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 2972) to require the recordation of scrip, lieu selection, and similar rights.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 2, line 9, after the word "within", to strike out "three" and insert "two"; in line 18, after the word "of", to strike out "three" and insert "two"; on page 3, after line 4, to insert:

SEC. 5. Within 30 days after the effective date of this act, the Secretary of the Interior shall cause to be published in the Federal Register a notice setting forth the recordation requirements of this act. Within 1 year after the effective date of this act the Secretary shall also cause notices of the recordation requirements of this act to be published in such newspapers, posted in such public offices, and given publicity by such other means as he deems feasible and appropriate for the dissemination of information concerning the recordation requirements of this act to persons who may have holdings or claims that are subject to such requirements.

And in line 17, to change the section number from "5" to "6."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. LONG. Mr. President, I should like to say in connection with the bill that its purpose is to require that scrip on various public lands be filed as a condition of its validity for the future. There is a vast quantity of unrecorded scrip, giving the holders thereof the right to file on unappropriated and unclaimed public lands. This has caused great confusion for many years, and the purpose of the bill is to require that the script must be filed in order to keep alive the rights of the individuals to claim property by use of it.

If it should be found that the property claimed is not subject to the scrip, then, of, course, the Department will undertake to find some property which can be claimed by the individual or some other way in which an equitable adjustment can be arranged to settle the problem.

EXCHANGE OF EMPLOYEES OF THE UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1054, Senate bill 1915.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1915) to provide for further effectuating the act of May 15, 1862, through the exchange of employees of the United States Department of Agriculture and employees of State political subdivisions or educational institutions.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. CLEMENTS. Senate bill 1915 was prepared by a joint committee of the land-grant colleges and the Department of Agriculture to overcome certain personnel difficulties in cooperative work with the States and provides for the interchange of employees by the Department of Agriculture and State and local governments. Department employees interchanged would be either, first, on detail, entitled to salary and all other benefits from the Department, but subject to such State or local supervision as might be agreed upon; or, second, on leave without pay, with all rights of that status plus (a) such annual and sick leave as approved by the Secretary, (b) credit toward periodic and longevity step increases, (c) credit toward retirement upon payment of the appropriate percentage or State pay into the retirement fund, and (d) benefits under the Federal Employees' Compensation Act, unless they elected to receive similar State or local benefits. Transportation expenses in moving employees on either a detail or leave basis to their State assignments and back to their Federal official stations would be paid by the Department, but travel while on State assignment would not be paid by the Department.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Congress hereby declares that the objectives of this act are to aid in the dissemination of useful information on subjects connected with agriculture and to provide a means whereby the Government of the United States and the several States may better cooperate in problems arising as a result of the interrelationships of their work in the field of agriculture.

SEC. 2. For the purposes of this act, the term "Department" shall be deemed to mean United States Department of Agriculture; "Secretary" shall mean Secretary of the United States Department of Agriculture; and "State" shall mean a State, county, city, municipality, land-grant college, or a college or university operated by any State or local government.

SEC. 3. In carrying out this act, the Secretary is authorized through cooperative agreements or otherwise to provide for the interchange of employees of the Department and employees of States. The period of assignment under such an interchange arrangement shall not exceed 2 years.

SEC. 4. Employees of the Department participating in an exchange of personnel as authorized in section 3 may be considered

during such participation to be (1) on detail to a regular work assignment of the Department, or (2) in a status of leave of absence from their positions in the Department. Employees who are considered to be detailed shall be entitled to the same salary and benefits to which they would otherwise be entitled and shall remain employees of the Department for all other purposes except that the supervision of their duties during the period of detail may be governed by agreement between the Department and the State involved. Employees who are in a leave-of-absence status as provided herein shall be carried on leave without pay: *Provided*, That they may be granted annual leave to the extent authorized by law and may be granted authorized sick leave only in circumstances considered by the Secretary to justify approval of such leave. Except as otherwise provided in this act, such employees shall have the same rights, benefits, and obligations as employees generally who are in such leave status but notwithstanding any other provision of law such employees shall be entitled to credit the period of such assignment (1) toward periodic and longevity step increases, and (2) upon payment into the retirement fund of the percentage of their State salary which would have been deducted from a like Federal salary for the period of such assignment, to credit such period as service within the meaning of the Civil Service Retirement Act. Any employee who participates in an exchange under the terms of this section who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in the performance of duties in connection therewith shall be treated, for the purposes of the Federal Employees' Compensation Act, as amended (5 U. S. C., sec. 790), as though he were an employee, as defined in such act, who had sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he elects to receive similar benefits from a State agency.

Sec. 5. Appropriations of the Department shall be available, in accordance with Standard Government Regulations, as amended, for the expenses of travel of employees assigned to States on either a detail or leave basis, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects to the location of the posts of assignment and for such expenses for the return of employees to their official stations, but shall not be available for expenses of travel of the employees during such period of assignment.

Sec. 6. Employees of States who are assigned to the Department under authority of this act may (1) be given appointments in the Department covering the periods of such assignments, or (2) be considered to be on detail to the Department. Appointments of persons so assigned may be made without regard to the civil-service laws or regulations. Persons given appointment in the Department shall be paid at rates of compensation in accordance with the Classification Act of 1949, as amended. State employees who are assigned to the Department without appointment shall not be considered to be employees of the Department, except as provided in section 7, nor shall they be paid a salary or wage by the Department during the period of their detail. The supervision of the duties of such employees during the assignment may be governed by agreement between the Department and the State involved.

Sec. 7. Any State employee who is given an appointment while assigned to the Department or who is assigned to the Department without appointment and who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith

shall be treated, for the purpose of the Federal Employees' Compensation Act as amended (5 U. S. C., sec. 790), as though he were an employee, as defined in such act, who had sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he elects to receive similar benefits as a State employee.

Sec. 8. The appropriations of the Department shall be available in accordance with the Standardized Government Travel Regulations, Travel Expense Act for 1949, for the payment of expenses of travel, for persons assigned to, but not given appointments by, the Department under authority of this act during the periods of such assignments on the same basis as if they were employees of the Department.

AUTHORIZATION FOR THE SECRETARY TO RECEIVE MESSAGES FROM THE HOUSE DURING ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment of the Senate the Secretary be authorized to receive messages from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY APPROPRIATIONS, 1955

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1040, H. R. 7224.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. ELLENDER. Mr. President, is it the intention of the acting majority leader to have the bill considered today?

Mr. CLEMENTS. It is not the intention of the acting majority leader to have the bill considered today, nor is it my intention to have it considered until after the call of the calendar of unobjectioned-to bills tomorrow.

It is planned to have the Senate convene at 10:30 tomorrow morning, in the hope that the business of the morning hour and the call of the calendar of bills to which there is no objection, as well, can be concluded by 12 o'clock.

RELIEF OF CERTAIN DESERT LAND ENTRYMEN

The PRESIDING OFFICER (Mr. KENNEDY in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1177) for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation, which was, to strike out all after the enacting clause and insert:

That the requirement of section 1 of the Desert Land Act of March 3, 1877 (19 Stat. 377), that the right to the use of water by a desert land entryman "shall depend upon bona fide prior appropriation" shall be waived in the case of all desert land entries which have heretofore been allowed and are subsisting on the effective date of this act, which are dependent upon percolating waters for their reclamation, and which are situated in the State of Arizona under the laws of which the percolating waters upon which the entries are dependent are not subject to the doctrine of prior appropriation but are usable under State law for irrigation and reclamation purposes.

Mr. ANDERSON. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

THE NARCOTICS PROBLEM

Mr. SPARKMAN. Mr. President, I have in my hand a series of articles from the Evening Star of Washington, written by Miss Miriam Ottenberg, relative to the hearings which are being conducted by the Senate Judiciary Subcommittee on Narcotics, under the chairmanship of our distinguished colleague, the Senator from Texas [Mr. DANIEL]. I ask unanimous consent to have these articles printed in the body of the RECORD at this point, for the purpose of further directing attention of Senators both to the need for such an intensive investigation into the narcotics problem and also to the comprehensive and constructive approach of the subcommittee.

Several officials have already testified that the activities of this subcommittee have spurred them on to positive action to halt the illicit narcotics traffic, and to get the drug addicts off the streets and confined in appropriate institutions for treatment. Moreover, I was surprised, and I believe that most of the other Senators will be equally surprised, to learn of the great number of improvements which could be made in existing Federal law for controlling the traffic in illicit narcotics and for dealing with narcotics addicts. Much of the legislation now on the statute books is obviously too weak and too cumbersome to deal swiftly and effectively with narcotics traffickers.

For example, I note from these articles that the District of Columbia alone needs at least a dozen new laws, or amendments to old laws, to cope with the narcotics problem here in the Nation's Capital. Mr. Harry Anslinger, United States Commissioner of Narcotics, reports that there are more than 950 known addicts on the streets of Washington.

In conclusion, I wish to congratulate the chairman of this subcommittee, the other members of the subcommittee, and the staff, for the work they are doing. In

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 25, 1955
For actions of July 22, 1955
84th-1st, No. 124

CONTENTS

ACP.....	21	Flood control.....	20	Onions.....	21
Adjournment.....	13	Foreign aid.....	1	Postal rates.....	17
Animal disease.....	21	Forestry.....	21	Price supports.....	7
Appropriations.....	1,21	Labor, farm.....	4	Reclamation.....	6
ARS building.....	21	Lands.....	3,11	Rice.....	2
CCC.....	9,15	Legislative program.....	12	Rural development.....	21
CCC sales manager.....	21	Low-income farmers.....	21	Textiles.....	10,19
Commodity exchange.....	21	Mining.....	21	Tobacco.....	8
Conservation.....	18	Monopolies.....	16	Veterans' benefits.....	5
Drought relief.....	21	Natural resources.....	18	Uniform allowances.....	21
Education.....	5,14				

HIGHLIGHTS: Senate committee reported bill to amend rice quota law. Senate passed bills to: provide mutual security appropriations; extend Mexican farm labor program; amend tobacco allotments-quotas law; authorize CCC to process foods for donation; transfer title 3 lands to Clemson College; and permit sales of certain CCC stocks without restriction. Sen. Ellender introduced bill to increase CCC borrowing authority.

SENATE

1. FOREIGN AID. Passed, 62 to 22, with amendments H. R. 7224, the mutual security appropriation bill for 1956 (pp. 9684, 9687-9714, 9717-51). Senate conferees were appointed (p. 9751). Rejected an Ellender amendment to reduce by \$5.5 million the amount available to Spain which shall be used for agricultural commodities (p. 9729).
2. RICE. The Agriculture and Forestry Committee reported without amendment S. 2573, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, to provide that "in States where farm rice acreage allotments are established on a producer basis only the past plantings of rice by the producer within the State and acreage allotments previously established in the State for the producers would be used in determining such allotments" (S. Rept. 1093)(p. 9653).
3. LANDS. Passed without amendment H. R. 605, to provide for the abolition of the 80-foot reserved space between claims on shore waters in Alaska (p. 9672). This bill will now be sent to the President.

Passed without amendment H. R. 4280, to transfer certain title 3 lands to Clemson College, S. C., so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands (pp. 9684-5). This bill will now be sent to the President.

4. FARM LABOR. Passed as reported H. R. 3822, to extend the Mexican farm labor/^{program} for 1 $\frac{1}{2}$ years (p. 9676).
5. EDUCATION; VETERANS' BENEFITS. Passed without amendment S. 2081, to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training (p. 9672).
6. RECLAMATION. Passed as reported S. 1534, to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects (p. 9672).
7. PRICE SUPPORT. Agreed to S. Res 123, increasing by 20,000 the funds available to the Agriculture and Forestry Committee for a study of price supports (p. 9673).
8. TOBACCO. Passed without amendment S. 2297, providing for the Secretary of Agriculture to proclaim a national marketing quota for tobacco (p. 9676).
Passed as reported S. 2296, providing for the exemption from marketing quotas of certain farms not producing tobacco for which an allotment had been made (p. 9676).
Passed as reported S. 2295, providing for the establishment of burley tobacco acreage allotments for farms retired from tobacco production (p. 9676).
9. COMMODITY CREDIT CORPORATION. Passed with amendment H. R. 2851, to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress. The amendment to H. R. 2851 consisted of the insertion of the text of S. 661 for that of the House bill, and then S. 661 was indefinitely postponed (pp. 9677, 9679-84).
Passed without amendment S. 2170, to permit sale of CCC stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form (p. 9685).
10. TEXTILES. Sen. Thurmond inserted a letter, containing the signatures of 1,017 residents of Whitmire, S. C., stating that the reduction of tariffs on imported textile products has had a disastrous effect on the American textile industry (pp. 9657-8).
Sen. Johnston cited the increased textile imports from Japan and said these imports are having an adverse effect on the domestic textile industry (pp. 9686-7).
11. LANDS. Passed without amendment S. 1621, authorizing adjustment of certain obligations of farm settlers (p. 9676). The bill would authorize the Secretary of Agriculture to: (1) Extend to projects developed under the authorities of the Act of August 11, 1939, commonly known as the Wheeler-Case Act, the provisions of certain sections of the Bankhead-Jones Farm Tenant Act, as amended, to release debtors of liability under certain conditions; and (2) authorize the Secretary of Agriculture to make adjustments in the terms, conditions and amounts of obligations incurred in connection with the development or operation of a project unit, or in the price at which units on such proj-

84TH CONGRESS
1ST SESSION

H. R. 7224

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 1955

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1956, namely:

6 MUTUAL SECURITY

7 For expenses necessary to enable the President to carry
8 out the provisions of the Mutual Security Act of 1954, as
9 amended (Public Law 665, approved August 26, 1954,

1 as amended by Public Law 138, Eighty-fourth Congress),
 2 as follows:

3 Military assistance: For assistance authorized by section
 4 103 (a) (2), including not to exceed \$23,250,000 for
 5 administrative expenses to carry out the purposes of title I,
 6 chapter 1, and section 124, ~~(1)~~ *to remain available until ex-*
 7 *pende*~~d~~, ~~(2)~~ ~~\$705,000,000~~, \$1,125,000,000, of which \$122,-
 8 000,000 shall be available for infrastructure as authorized by
 9 section 104 (a) ; ~~(3)~~ ~~and in addition not to exceed \$33,900,-~~
 10 ~~000 of unobligated and unreserved funds heretofore appro-~~
 11 ~~riated under authority of section 103 (a) (1) of the Mutual~~
 12 ~~Security Act of 1954, as amended, are continued available~~
 13 ~~until June 30, 1956, for the purposes of section 103 (a) (2);~~

14 Direct forces support: For assistance authorized by sec-
 15 tion 124, \$305,000,000 ~~(4)~~ *and in addition \$12,200,000 for*
 16 *additional assistance to Formosa and Thailand;*

17 Defense support, Europe: For assistance authorized by
 18 section 131 (c) (1) ~~(5)~~ ~~\$70,000,000~~ \$85,500,000 ~~(6)~~:
 19 *Provided, That at least \$50,000,000, on a grant basis, shall*
 20 *be made available for assistance to Spain exclusive of Tech-*
 21 *nical Exchange: Provided further, That not less than*
 22 *\$22,000,000 of the amount available for Spain shall be used*
 23 *for agricultural commodities;*

24 Defense support, Near East and Africa: For assistance
 25 authorized by section 131 (c) (2), ~~(7)~~ ~~\$102,500,000~~ \$113,-

1 700,000 ~~(8)~~including not less than \$26,200,000 for assist-
 2 ance to Greece;

3 Defense support, Asia: For assistance authorized by
 4 section 131 (c) (3), ~~(9)~~\$775,000,000 \$827,800,000;
 5 ~~(10)~~and in addition not to exceed \$25,000,000 of unob-
 6 ligated balances of funds heretofore appropriated under au-
 7 thority of section 121 of the Mutual Security Act of 1954, as
 8 amended, are hereby continued available through June 30,
 9 1956;

10 Development assistance, Near East and Africa: For
 11 assistance authorized by section 201 (c) for purposes of
 12 section 201 (a) (1), \$73,000,000;

13 Development assistance, Asia: For assistance author-
 14 ized by section 201 (c) for purposes of section 201 (a)
 15 (2), ~~(11)~~\$61,000,000 \$51,000,000;

16 Development assistance, American Republics and non-
 17 self-governing territories of the Western Hemisphere: For
 18 assistance authorized by section 201 (c) for purposes of
 19 section 201 (a) (3), \$38,000,000;

20 Technical cooperation, general authorization: For assist-
 21 ance authorized by section 304 (b), ~~(12)~~\$125,000,000
 22 \$130,000,000;

23 United Nations expanded program of technical assist-
 24 ance: For contributions authorized by section 306 (a),

1 \$24,000,000, which shall constitute the total United States
2 contribution through December 31, 1956;

3 Technical cooperation programs of the Organization of
4 American States: For contributions authorized by section
5 306 (b), \$1,500,000;

6 Special Presidential Fund: For assistance authorized by
7 section 401 (b), \$100,000,000;

8 Special assistance in joint control areas in Europe: For
9 assistance authorized by section 403 (b), \$21,000,000;

10 Intergovernmental Committee for European Migration:
11 For contributions authorized by section 405 (a), ~~(13)~~\$10,-
12 ~~000,000~~ \$12,500,000: *Provided*, That no funds appropriated
13 in this Act shall be used to assist directly in the migration to
14 any nation in the Western Hemisphere of any person not hav-
15 ing a security clearance based on reasonable standards to in-
16 sure against Communist infiltration in the Western Hemi-
17 sphere;

18 United Nations Refugee Fund: For contributions
19 authorized by section 405 (c), ~~(14)~~\$1,000,000 \$1,400,000;

20 Escapee program: For assistance authorized by section
21 405 (d), \$6,000,000;

22 United Nations Children's Fund: For contributions
23 authorized by section 406 (b), \$14,500,000, which shall
24 constitute the total United States contribution through
25 December 31, 1956;

1 United Nations Relief and Works Agency: For con-
 2 tributions authorized by section 407 (b), ~~(15)~~\$56,366,750
 3 ~~\$60,366,750; (16)~~and in addition not to exceed ~~\$3,633,250~~
 4 of the unobligated balances of funds appropriated under the
 5 head "Palestine Refugee Program" in the Mutual Security
 6 Appropriation Act, 1954, are continued available through
 7 June 30, 1956, for the purposes authorized by section 407;

8 North Atlantic Treaty Organization: For payments
 9 authorized by section 408, \$3,700,000;

10 Ocean freight charges, United States voluntary relief
 11 agencies: For payments authorized by section 409 (c),
 12 ~~(17)~~\$1,500,000 ~~\$2,000,000~~;

13 Ocean freight charges, surplus agricultural commodities:
 14 For payments authorized by section 409 (d), ~~(18)~~\$10,000,-
 15 ~~000~~ \$13,000,000;

16 Control Act expenses: For carrying out the purposes of
 17 the Mutual Defense Assistance Control Act of 1951, as
 18 authorized by section 410, \$1,175,000;

19 Administrative expenses: For expenses authorized by
 20 section 411, \$33,500,000;

21 President's Fund for Asian Economic Development:
 22 For the President's Fund for Asian Economic Development
 23 as authorized by section 418 (b), ~~(19)~~\$100,000,000 ~~\$150,-~~
 24 ~~000,000 (20)~~to remain available until June 30, 1958.

1 **(21)***To the extent authorized by the Mutual Security Act of*
2 *1955, the unexpended balances of funds appropriated under*
3 *authority of the Mutual Security Act of 1954 (except for*
4 *\$100,000,000) are hereby continued available for the general*
5 *purposes for which appropriated, and may be consolidated*
6 *with appropriations made available for the same general*
7 *purposes in this Act.*

8 GENERAL PROVISIONS

9 SEC. 102. Appropriations in this Act for the purposes
10 of chapters 2 (except for section 124) and 3 of title I and
11 titles II, III, and IV of the Mutual Security Act of 1954,
12 as amended, and allocations to the Department of State, from
13 any other appropriations, for functions directly related to the
14 purposes of the Mutual Security Act of 1954, as amended,
15 or for use by the International Cooperation Administration
16 for other purposes authorized by law shall be available for
17 rents in the District of Columbia; expenses of attendance
18 at meetings concerned with the purposes of such appropria-
19 tions, including (notwithstanding the provision of section 9
20 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses
21 in connection with meetings of persons whose employment is
22 authorized by section 530 of the Mutual Security Act of
23 1954, as amended; employment of aliens, by contract, for
24 services abroad; maintenance, operation, and hire of aircraft;
25 purchase (not to exceed two for replacement only) and hire

1 of passenger motor vehicles and, in addition, passenger motor
2 vehicles abroad may be exchanged or sold and replaced by
3 an equal number of such vehicles and the cost, including
4 the exchange allowance, of each such replacement shall not
5 exceed \$3,000 in the case of an automobile for the chief of
6 any special mission or staff abroad established under section
7 526 of the Mutual Security Act of 1954, as amended; enter-
8 tainment within the United States (not to exceed \$15,000) ;
9 exchange of funds without regard to section 3651 of the
10 Revised Statutes (31 U. S. C. 543) ; loss by exchange;
11 expenditures (not to exceed \$50,000) of a confidential
12 character other than entertainment, provided that a certifi-
13 cate of the amount of each such expenditure, the nature of
14 which it is considered inadvisable to specify, shall be made
15 by the Secretary of State, or such person as he may desig-
16 nate, and every such certificate shall be deemed a sufficient
17 voucher for the amount therein specified; insurance of official
18 motor vehicles in foreign countries; rental of quarters outside
19 the continental limits of the United States to house employees
20 of the United States Government (without regard to section
21 322 of the Act of June 30, 1932, as amended (40 U. S. C.
22 278a)), lease, necessary repairs and alterations to quarters;
23 actual expenses of preparing and transporting to their former
24 homes in the United States or elsewhere the remains of
25 persons or members of the families of persons who may die

1 while such persons are away from their homes participating
2 in activities under the Mutual Security Act of 1954, as
3 amended, or other Act directly related to the purposes of the
4 Mutual Security Act of 1954, as amended; purchase of
5 uniforms; employment of chauffeurs for passenger carrying
6 vehicles abroad notwithstanding the provisions of any other
7 law; medical examinations of dependents of overseas per-
8 sonnel or candidates for overseas positions on the same basis
9 as for employees or candidates; payment of per diem in lieu
10 of subsistence to persons participating in any program of
11 furnishing technical information and assistance, while in
12 countries other than their own and other than the continental
13 United States, at rates not in excess of those prescribed by
14 the Standardized Government Travel Regulations, notwith-
15 standing section 107 of the Department of State Appropria-
16 tion Act, 1956; expenses authorized by the Foreign Service
17 Act of 1946, as amended (22 U. S. C. 801-1158), not
18 otherwise provided for; ice and drinking water for use
19 abroad; and services of commissioned officers of the Public
20 Health Service and of the Coast and Geodetic Survey, and
21 for the purposes of providing such services the Public Health
22 Service may appoint not to exceed twenty officers in the
23 Regular Corps to grades above that of senior assistant, but
24 not above that of director, as otherwise authorized in accord-
25 ance with section 711 of the Act of July 1, 1944, as amended

1 (42 U. S. C. 211a), and the Coast and Geodetic Survey
2 may appoint for such purposes not to exceed twenty com-
3 missioned officers in addition to those otherwise authorized:
4 *Provided*, That no part of the administrative expenses shall
5 be used to pay the salary of any civilian employee at a rate
6 greater than that paid by the State Department for com-
7 parable work or services in the same area: *Provided further*,
8 That appropriations made under this Act shall be available
9 for expenses in connection with travel of personnel outside
10 the continental United States, including travel of dependents
11 and transportation of personal effects, household goods, or
12 automobiles of such personnel when any part of such travel
13 or transportation begins in the current fiscal year pursuant
14 to travel orders issued in that fiscal year, notwithstanding
15 the fact that such travel or transportation may not be com-
16 pleted during the current fiscal year, and cost of transporting
17 to and from a place of storage, and the cost of storing, the
18 furniture and household and personal effects of any employee
19 who is assigned to a post at which he is unable to use his
20 furniture and effects, under such regulations as the Secretary
21 of State, or such person as he may designate, may prescribe:
22 *Provided further*, That no part of any appropriation con-
23 tained in this Act shall be available for expense of transpor-
24 tation, packing, crating, temporary storage, drayage, and
25 unpacking of household goods and personal effects in excess

1 of an average of five thousand pounds net but not exceeding
2 nine thousand pounds net in any one shipment, but the
3 limitations imposed herein shall not be applicable in the case
4 of employees transferred to or serving in stations outside the
5 continental United States under orders relieving them from
6 a duty station within the United States prior to August 1,
7 1953.

8 SEC. 103. Payments made from funds appropriated
9 herein for engineering fees and services to any individual
10 engineering firm on any one project in excess of \$25,000
11 shall be reported to the Committees on Appropriations of
12 the Senate and House of Representatives at least twice an-
13 nually.

14 SEC. 104. Pursuant to section 1415 of the Supplemental
15 Appropriation Act, 1953, and in addition to other amounts
16 made available pursuant to said section, not to exceed the
17 equivalent of \$25,000,000 of foreign currencies or credits
18 owed to or owned by the United States shall remain avail-
19 able until June 30, 1956, without reimbursement to the
20 Treasury, for liquidation of obligations incurred against such
21 currencies or credits prior to July 1, 1953, pursuant to au-
22 thority contained in the Mutual Security Act of 1951, as
23 amended, and Acts for which funds were authorized by that
24 Act and hereafter, foreign currencies generated under the

1 provisions of this Act shall be utilized only for the purposes
2 for which the funds providing the commodities which gen-
3 erated the currency were appropriated.

4 SEC. 105. None of the funds provided by this Act nor
5 any of the counterpart funds generated as a result of assist-
6 ance under this or any other Act shall be used to make pay-
7 ments on account of the principal or interest on any debt of
8 any foreign government or on any loan made to such govern-
9 ment by any other foreign government; nor shall any of
10 these funds be expended for any purpose for which funds
11 have been withdrawn by any recipient country to make
12 payment on such debts (22), *nor shall such funds or counter-*
13 *part funds be used for assistance other than military assist-*
14 *ance of any country of which a dependent area fails to com-*
15 *ply with any treaty to which the United States and such*
16 *dependent area are parties and which treaty has been declared*
17 *valid by the International Court of Justice.*

18 SEC. 106. Not more than 20 per centum of any funds
19 made available by this Act shall be obligated and/or reserved
20 during the last two month of the fiscal year(23): *Provided,*
21 *That whenever the President determines that an emergency*
22 *condition requires obligations and/or reservations in excess of*
23 *the 20 per centum limitation during the last two months of*
24 *the fiscal year, this provision shall not prevail: Provided*

1 *further, That whenever the President makes such a determina-*
2 *tion, he shall advise the Senate and the House of Represent-*
3 *atives immediately.*

4 SEC. 107. The appropriations, authorizations, and au-
5 thority with respect thereto in this Act shall be available
6 from July 1, 1955, for the purposes provided in such appro-
7 priations, authorizations, and authority. All obligations
8 incurred during the period between June 30, 1955, and the
9 date of enactment of this Act in anticipation of such appro-
10 priations, authorizations, and authority are hereby ratified
11 and confirmed if in accordance with the terms hereof.

12 **(24)**SEC. 108. *Funds heretofore or hereafter allocated to the*
13 *Department of Defense from any appropriation for military*
14 *assistance (including funds consolidated with any such ap-*
15 *propriation but excepting funds obligated directly against*
16 *any such appropriation for offshore procurement or other*
17 *purposes) shall be accounted for by geographic area and*
18 *by country solely on the basis of the value of materials de-*
19 *livered and services performed (such value to be determined*
20 *in accordance with the applicable provisions of law govern-*
21 *ing the administration of military assistance). Within the*
22 *limits of amounts available from funds so allocated, the De-*
23 *partment of Defense is authorized to incur, in applicable*
24 *appropriations, obligations in anticipation of reimbursement*
25 *from such allocations, and no funds so allocated and avail-*

1 able shall be withdrawn by administrative action until the
2 Secretary of Defense shall certify that they are not required
3 for liquidation of obligations so incurred. Unobligated
4 amounts of such allocations equal to the value of orders placed
5 with the military departments against such allocations shall
6 be reserved and shall remain available until expended, for
7 making such reimbursements (except in case of funds obli-
8 gated directly against such allocations) only upon the basis
9 of materials delivered and services rendered: Provided, That
10 reports of items to be delivered against funds reserved as
11 provided herein shall be furnished quarterly by the Secretary
12 of Defense to the Committees on Appropriations of the Senate
13 and the House of Representatives and, not less often than once
14 each quarter, said Secretary shall make a detailed report to
15 the Committees on Appropriations of the Senate and the
16 House of Representatives, on a delivery or service-rendered
17 basis, on all military assistance funds allocated and available
18 to the Department of Defense as of the end of the preceding
19 quarter: Provided further, That no reimbursements for ma-
20 terials or services shall be made after June 30, 1955, until
21 the value of materials delivered and services performed shall
22 equal the amount of expenditures made from all appropria-
23 tions herein and heretofore made for military assistance as of
24 said date: Provided further, That in the event the President
25 shall determine that supplies and equipment ordered against

1 *funds so allocated are required for the defense of the United*
2 *States, the amount allocated for supplies and materials re-*
3 *quired for such purpose shall be returned to the appropriation*
4 *from which allocated: Provided further, That funds appro-*
5 *priated in this Act for military assistance (including funds*
6 *consolidated with any such appropriation), shall be main-*
7 *tained in one account, and funds made available to the De-*
8 *partment of Defense under section 401 of the Mutual Security*
9 *Act of 1954, as amended, may be, where authorized by the*
10 *President, maintained in such account, which shall be used*
11 *for all transactions involving military assistance.*

12 SEC. (25)408 109. No part of any appropriation con-
13 tained in this Act shall be used to pay the salary or wages of
14 any person who engages in a strike against the Government of
15 the United States or who is a member of an organization of
16 Government employees that asserts the right to strike
17 against the Government of the United States, or who advo-
18 cates, or is a member of an organization that advocates,
19 the overthrow of the Government of the United States by
20 force or violence: *Provided*, That for the purposes hereof
21 an affidavit shall be considered prima facie evidence that the
22 person making the affidavit has not contrary to the provi-
23 sions of this paragraph engaged in a strike against the Gov-
24 ernment of the United States, is not a member of an organ-
25 ization of Government employees that asserts the right to

1 strike against the Government of the United States, or that
2 such person does not advocate, and is not a member of an
3 organization that advocates, the overthrow of the Govern-
4 ment of the United States by force or violence: *Provided*
5 *further*, That any person who engages in a strike against
6 the Government of the United States or who is a member
7 of an organization of Government employees that asserts the
8 right to strike against the Government of the United States,
9 or who advocates, or who is a member of an organization
10 that advocates, the overthrow of the Government of the
11 United States by force or violence and accepts employment
12 the salary or wages for which are paid from any appropria-
13 tion or fund contained in this or any other Act shall be guilty
14 of a felony and, upon conviction, shall be fined not more
15 than \$1,000 or imprisoned for not more than one year, or
16 both: *Provided further*, That the above penalty clause shall
17 be in addition to, and not in substitution for, any other pro-
18 visions of existing law.

19 SEC. ~~(26)~~109 110. This Act may be cited as the
20 “Mutual Security Appropriation Act, 1956”.

Passed the House of Representatives July 11, 1955.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments July 22, 1955.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 1955

Ordered to be printed with the amendments of the
Senate numbered

cases we did not require such a cash contribution. As I recall, in the case of India, the program was on a 50-50 basis; but we loaned India the money for her 50 percent. However, as I recall, in the other cases the Senator from Louisiana has mentioned, all the relief was given by us outright.

The committee felt that under all the circumstances, the passage of the bill is justified in order to make it possible to extend the needed relief to a limited number of communities and to a number of our own people in such communities who are suffering from distress conditions, which we regret to report do not seem likely to be terminated in the very near future.

Mr. LONG. I thank the Senator from Florida.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I wish to say that adoption of this amendment will make more food available to the needy in the United States than would be the case if the amendment were rejected, because under no circumstances will the amendment, if adopted, change the formula by means of which the needy receive such relief which is free of charge. By requiring the States to make their contributions, the amendment will add to the amount of food which will be available and which will be provided to persons in need, whereas if the amendment were to be rejected, a decreased amount of food would thus be made available.

However, I want to be frank by saying that is not the primary purpose of the amendment.

But, from the standpoint of those who need assistance, they would get more by the adoption of the amendment than without it. They would get such relief entirely free.

The only question with respect to this amendment is the question of who shall pay the bill, and whether or not the States will make some contribution. So far as the recipient is concerned, it makes no difference to him who pays it.

As to the argument that the State legislatures in the 48 States would have to be called into session, the Senator from Florida [Mr. HOLLAND] has already pointed out, that is not true. It would be true only in the case of States which had no State agencies or facilities, and had never made any effort to help distressed people of their States. I do not think there is a single State today which is not at least making some token effort toward helping the unemployed. If they are not, they had better get busy.

I know that in my own State, and in the State of the Senator from Louisiana [Mr. LONG] there are programs for helping those in need. Those programs could be tied in with the national program.

Therefore, all we have to do is to furnish 75 percent of the amount as Government aid, and the States can make their contributions by 25 percent. So there is no necessity for calling into session the legislatures of any of the States, except, perhaps, in the case of a State which has desperate need, but

whose legislature has been in session, gone home, and paid no attention to their unemployed, in which case perhaps the legislature had better come back and reexamine its own backyard.

I think the Senator from Florida will agree with me that any one of the States which has a program of relief for the needy can use the funds already appropriated to match the State share.

I recognize that there are arguments on both sides with respect to this bill. Why should not the States put up a part of this contribution? It has been argued on the floor, every time this amendment is offered, that everyone is in favor of it—tomorrow—but tomorrow never comes. We have been talking about the subject for 2 years.

I should like to see the amendment adopted today, so that we can put it into effect tomorrow.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BARKLEY. With the permission of the Senator from Florida, I should like to say a word in regard to the background of this particular bill.

The bill grew out of a conference which some of us, representing the distressed areas, had at the beginning of this year with representatives of the Department of Agriculture.

The Senator from Florida has accurately described the unemployment and distress in certain regions of the country, and particularly the coal regions of West Virginia, Pennsylvania, Ohio, Kentucky, Virginia, and other States. The distress is so great in my State that today 225,000 people are on relief in Kentucky. That is nearly one-tenth of our population. The distress is very largely in the coal regions, because there is no other employment there. In many cases there is no other industry to which the unemployed can apply for jobs. Therefore, the call for relief has been great.

Last October I was in one town in eastern Kentucky to deliver an address. As I walked into the courthouse, the county judge of that county, through whom relief was distributed, told me that at that moment 300 men were standing in line for relief for their families, in that one town.

The conference with representatives of the Department of Agriculture to which I have referred was not with the Secretary, but with the Under Secretary or Assistant Secretary in charge of relief, to whom we had gone for specific relief in eastern Kentucky, West Virginia, and other places, in the distribution of flour and meal.

It developed in that conference that the Department of Agriculture interpreted the law to mean that they could not process wheat or corn into flour or meal so as to distribute the edible commodities in the communities where they were needed. It was generally agreed, I think, that Congress did not intend that to be the situation, but under the language of the law there was no other interpretation. We all agreed that it would be necessary to have legislation to correct that situation, authorizing the Depart-

ment and the Commodity Credit Corporation to process wheat into flour and corn into meal. As a result, this bill was introduced.

The relief situation has not improved. It has improved in certain sections of the country, but in the coal regions it has not appreciably improved. In all relief legislation heretofore, in connection with flood distress, drought distress, or any other kind, we have never required a State to put up one-fourth, or any other percentage of the relief granted.

The corn and wheat belong to the Federal Government. They are now in storage. The Government cannot properly distribute corn and wheat in the grain, because we certainly would not require distressed people to eat whole corn and wheat, like hogs or horses. The grain must be ground into flour or meal.

This need has been in existence for months. It is now nearly the first of August. The need has existed all during this year. If we require the States of Kentucky, West Virginia, Ohio, Pennsylvania, Virginia, and other States to put up one-quarter of the amount, including the cost of the grain itself in the first place, I suppose, and including storage and the cost of processing, it will be necessary either to call the legislatures into to extraordinary session or to delay relief until January, or some other time, when they meet under their constitutions.

In the conference to which I refer, with the representatives of the Department of Agriculture, the point was raised that, inasmuch as we are sending flour and meal and processed grains to other nations—and I am for that; I have supported it, and intend to support it so long as the needs exist—it was certainly not inappropriate or inconsistent that we process whole wheat and corn into flour and meal for our own people.

I hope the amendment of the Senator from Delaware, for whom I have the greatest admiration, and whose sincerity I do not question, will not be agreed to, because the result would be that, because of the peculiar situation, we would be asked to deal with the relief problem involved in this case in a manner different from that in which we have acted in connection with any other matter pertaining to relief. It would be a great hardship upon those who are hungry and distressed. It would be great hardship, without legislative action, to require a State legislature to meet in legislative session to comply with the terms of the bill. I hope the amendment will not be agreed to.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I should like to say to the Senator from Kentucky that my amendment would not affect the authority of the Department of Agriculture to process these commodities. We have already adopted a committee amendment which would authorize that, and I am not proposing to change it.

I fully agree with the Senator from Kentucky that certainly we are not go-

ing to propose that these grains be distributed in the raw form. My amendment does not affect that proposal at all. All I am trying to do is to spell out who shall pay the cost, and whether or not the State is to make any contribution.

I know that in the State of the Senator from Kentucky a substantial contribution is now being made by the State. If this amendment is adopted, there will be 25 percent more available to the people of Kentucky and other States, free of charge, than there would be without the amendment. In my opinion it is past time when we should provide that the States shall make a contribution. I think they should.

The decision is as to whether or not we are to adopt a policy. It is not a question of whether we give away certain commodities abroad or at home. In either case, with or without the amendment, we would be giving away the commodity, whether relief was accorded abroad or at home. We are not debating that point at all. We are merely trying to say that States which are constantly battling for States' rights should be willing to make some contribution toward meeting the requirements of their own people.

My amendment would diminish the administrative expenses, because the Federal Government would exercise the minimum supervision over the program. It would be left almost entirely to the States to distribute the relief through their regular channels.

I do not wish to debate the question any further. I recognize the fact that there are good arguments both for and against the proposal. I certainly know that the Senator from Kentucky, one of the authors of the bill, who appeared before our committee, is very sincere. He ably demonstrated to our committee that there is great need for the legislation. I conclude with the hope the amendment will be adopted, whereby we can provide for a distribution of the cost between the States and the Federal Government.

MUTUAL SECURITY APPROPRIATIONS, 1956

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The hour of 12:30 o'clock having arrived, which terminates the morning hour, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

Mr. CLEMENTS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

DONATION TO DISTRESSED COMMUNITIES OF PROCESSED FOOD COMMODITIES

Mr. WILLIAMS. Mr. President, I realize that the morning hour is concluded, and that automatically the unfinished business, the mutual-security bill, comes before the Senate. In debating the amendment, while I certainly hope it may be adopted, I was not trying to delay action on the amendment and the bill by discussing the amendment until the close of the morning hour. Therefore, I ask unanimous consent that the Senate may proceed briefly with the further consideration of the bill. I should like to see the amendment and the bill disposed of, because I believe it is of some importance to those concerned. If it is agreeable to the acting majority leader, I should like to have the Senate proceed with the further consideration of the amendment and the bill.

Mr. HOLLAND. I hope the acting majority leader will agree that action be completed on the measure, and that the Senate may proceed for an additional 10 minutes with its consideration of the bill.

Mr. CLEMENTS. I certainly would have no objection, provided the bill is disposed of quickly. If it is not disposed of quickly, we shall have to proceed to the consideration of the mutual-defense bill.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. WILLIAMS. So far as I am concerned, I have nothing more to say on the subject. I believe we should vote on the amendment and the bill. It is unfortunate that consideration of the bill should have been cut off automatically by the expiration of the morning hour.

Mr. HOLLAND. If the distinguished Senator from Delaware will amend his request to provide for 10 additional minutes, I believe we can dispose of the bill in that time.

Mr. WILLIAMS. So far as I am concerned, I do not need any more time. I suggest that the Senate vote.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Is there objection to the request of the Senator from Delaware?

There being no objection, the Senate resumed the consideration of the bill (S. 661), to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. HOLLAND. Mr. President, there is a similar House bill before the Committee on Agriculture and Forestry. In

order to expedite an immediate conference, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of H. R. 2851.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I now ask unanimous consent that the Senate proceed to consider the House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HOLLAND. Mr. President, I move that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the text of S. 661, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 661 is indefinitely postponed.

The title was amended so as to read: "A bill to make corn meal and wheat flour available to needy persons."

RELEASE OF CERTAIN MARGINAL LANDS TO CLEMSON AGRICULTURAL COLLEGE

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1061, H. R. 4280.

The PRESIDING OFFICER. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 4280) to direct the Secretary of Agriculture to release, on behalf of the United States, conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSTON of South Carolina. The bill was introduced in the House by the six Representatives from South Carolina, a similar bill was introduced in the Senate by both Senators from South Carolina. The committee has reported the House bill, which was amended to

All in all, the 1955 textile imports from Japan can be conservatively estimated at 200 million yards.

In 1954 the Japanese exports of cotton fabrics totaled 1,278,121,000 square yards, up 39.4 percent over 1953.

Besides the United States of America, Japan's major textile customers were Pakistan, Australia, Great Britain, British West Africa, Burma, Thailand, Singapore, and Hong Kong.

I think anyone who examines the RECORD will see that the Japanese are gradually moving more and more of their products into the United States and are coming into greater competition with labor in this country.

I call the attention of the Senate and of the people of the Nation to the fact that when we allow the products of cheap foreign labor to come into competition with labor in the United States, we must face the fact that it will mean doom to our own textile industry. When I make that statement I mean that our textile industry is now at the breaking point. In other words, if we should have taken away from us only a small percentage of our sales, it would mean that there probably would be more bankruptcies in our textile industries.

What does the military know about the situation? The military attempts to tell civilians how to run their business. I believe the military should stay in their place. Let the military run its own affairs and let the civilians run their side of the economy.

Although I thought Eisenhower was a good general, a good military man, one reason why I opposed him for the Presidency was that I thought he did not know a single thing about running the Government. The military are now telling the civilians what effect such imports will have upon our industries. When did it become the duty of a general to make statements which concern the textile industry of my State? I am one who believes that the military should stay in the military field and let the civilian population conduct political and economic affairs.

COMMENDATION OF THE MUTUAL SECURITY APPROPRIATIONS BILL

Mr. WILEY. Mr. President, there have been occasions in the past when the gentlemen of the Senate Foreign Relations Committee and our good friends of the Senate Appropriations Committee have differed a good deal on appropriations for mutual security purposes.

I am pleased to say that in the instance of the mutual security appropria-

tions bill, H. R. 7724, which the Senate Appropriations Committee has reported, the members of the two committees see eye to eye, by and large.

I am particularly pleased at the restoration of funds decided upon by our friends on the Senate Appropriations Committee, over and above the more limited amounts which have been approved by our colleagues in the House of Representatives.

RESTORATION HELPS US AT GENEVA

I think that the action of the Senate committee in largely restoring the slashes is most beneficial, coming as it does, at the time of the Big Four meeting at the summit. It strengthens the hand of our Chief Executive and our Secretary of State.

The Senate committee's action serves notice to friend, foe, and neutral alike that the United States is not assuming that simply because the Big Four have been meeting, East-West problems are on their way to quick solution, or that we can let down our guard in the slightest, or arbitrarily slash our aid.

I trust that restoration of the funds, as voted in the Senate Appropriations Committee, which will be sustained, I believe, now on the floor, will be maintained, in turn, in the final Senate-House conference committee.

I realize full well the avalanche of requests for funds, as received by the Appropriations Committees on the domestic and foreign fronts. But I think that it could be penny-wise and pound-foolish to harm a program which has reaped such important dividends for the security of the Western World.

If time permitted, I should like to comment on particular items of the Senate Appropriations Committee action which I feel were most commendable.

I do, however, want particularly to commend the support of the full budget estimate of defense support for Asia.

I commend as well the full support given to military assistance—\$1.125 billion—for military equipment and training.

COMMENDATION OF \$22 MILLION RESTORATION FOR SPAIN

I was pleased, too, to note that \$50 million of defense support will be specifically available to Spain on a grant basis, with \$22 million of the total to be used for agricultural commodities.

Fifty million dollars is the sum which the committee of conference on the Mutual Security Authorization Act, Public Law 138, had wisely specifically recommended. Continued prompt implementing of our friendly relations with the Spanish Government and peo-

ple is, I believe, an absolutely sound objective—and one which, I trust, the Senate-House conference committee on this bill will rightly sustain. Spain looms ever larger in the sound planning for further Atlantic strength, and that is why I shall continue to seek her prompt admission into NATO.

CONCLUSION

Suffice it to say that I commend my colleagues on the Appropriations Committee, and express the hope that their fine work will be followed through in the conference committee which will be held.

MUTUAL SECURITY APPROPRIATIONS, 1955

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, and that the bill be read for amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, the pending mutual-security appropriation bill for 1956, as it passed the House, provided for an appropriation of \$2,638,741,750. The amount of the increase recommended by the Senate committee is \$566,600,000.

In addition, there were unobligated balances amounting to \$21,366,750, which were made available for the next fiscal year.

Mr. President, the increases are shown on a table appearing on page 2 of the committee report, and I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Available, 1955	Estimates, 1956	Recommended in House bill, 1956	Recommended in Senate bill, 1956	Senate bill compared with—		House bill
					Available, 1955	Estimates, 1956	
Military assistance:							
Appropriation.....	\$1,020,973,387	\$1,125,000,000	\$705,000,000	\$1,125,000,000	+\$104,026,613	-----	+\$420,000,000
Unobligated and unreserved balance.....	2,422,512,729	33,900,000	33,900,000	33,900,000	-2,388,612,729	-----	-----
Total.....	3,443,486,116	1,158,900,000	738,900,000	1,158,900,000	-2,284,586,116	-----	+420,000,000
Direct forces support.....	365,760,000	317,200,000	305,000,000	317,200,000	-48,560,000	-----	+12,200,000

	Available, 1955	Estimates, 1956	Recommended in House bill, 1956	Recommended in Senate bill, 1956	Senate bill compared with—		House bill
					Available, 1955	Estimates, 1956	
Defense support:							
Appropriation.....	\$1,162,577,808	\$1,000,300,000	\$947,500,000	\$1,027,000,000	—\$135,577,808	+\$26,700,000	+\$79,500,000
Unobligated balance.....	32,200,000	25,000,000	25,000,000	25,000,000	—7,200,000		
Total.....	1,194,777,808	1,025,300,000	972,500,000	1,052,000,000	—142,777,808	+26,700,000	+79,500,000
Development assistance.....	164,600,000	182,000,000	172,000,000	162,000,000	—2,600,000	—20,000,000	—10,000,000
Technical cooperation.....	126,354,621	172,000,000	150,500,000	155,500,000	+29,145,379	—16,500,000	+5,000,000
Other programs:							
Appropriation.....	130,834,000	470,141,750	358,741,750	418,641,750	+287,807,750	—51,500,000	+59,900,000
Unobligated balance.....	23,563,250	3,633,250	3,633,250	3,633,250	—19,930,000		
Total.....	154,397,250	473,775,000	362,375,000	422,275,000	+267,877,750	—51,500,000	+59,900,000
Undistributed unobligated balance.....		21,366,750		21,366,750	+21,366,750		+21,366,750
Total Mutual Security:							
Appropriation.....	2,971,099,816	3,266,641,750	2,638,741,750	3,205,341,750	+234,241,934	—61,300,000	+566,600,000
Unobligated balance.....	2,478,275,979	83,900,000	62,533,250	83,900,000	—2,394,375,979		+21,366,750
Total.....	5,449,375,795	3,350,541,750	2,701,275,000	3,289,241,750	—2,160,134,045	—61,300,000	+587,966,750

Mr. HAYDEN. Mr. President, the amount provided in the bill as reported to the Senate is \$3,205,341,750.

The amount of the estimates for 1956 was \$3,266,641,750.

The amount of the appropriations for 1955 was \$2,971,099,816.

The bill as reported to the Senate is under the estimates for 1956 by \$61,300,000, and over the appropriations for the past fiscal year by \$234,241,934.

Inasmuch as the amendments are comparatively few in number, at least in comparison with those contained in other appropriation bills, I think the best procedure to follow in this case is to ask that the committee amendments be first considered, beginning with the first amendment on page 2. I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ELLENDER. What was the request, Mr. President?

Mr. HAYDEN. To consider the committee amendments in the order in which they appear in the bill, beginning with the first amendment on page 2.

Mr. ELLENDER. The Senator from Arizona is requesting consideration of the committee amendments now, is he?

Mr. HAYDEN. Yes.

Mr. BYRD. Mr. President—

Mr. HAYDEN. I yield to the Senator from Virginia.

Mr. BYRD. Mr. President, with 1956 payments under appropriations in the pending mutual security appropriation bill, H. R. 7224, now before the Senate, gross expenditures by the United States for foreign aid since World War II will exceed \$57 billion. Of this amount, nearly \$37 billion will be in economic aid, and more than \$20 billion will be in military assistance.

In addition to this sum, we could add still more billions of dollars, representing the value of military property which was transferred to both friendly and enemy countries in the closing days of the war, for the relief of their people.

This money has been spent over 11 years, through some 30 major foreign-assistance programs.

In the overall, this country has been on a deficit basis for the entire period.

This means that all foreign-aid expenditures were paid for by borrowing and adding to the public debt. If it had not been for these foreign-aid programs, our debt today would be close to \$225 billion, instead of at the current \$280 billion level.

The interest on the Federal debt is now running at approximately \$6.5 billion annually. If it were not for the debt piled up under these foreign-aid programs, Federal interest costs would be reduced by more than a billion dollars a year.

While we are pouring this money abroad, our people at home are suffering the cruel burden of peacetime tax rates near their peak. There is imperative need for Federal tax reduction and equalization, but such tax reduction should come only by reducing expenditures. A tax reduction on a deficit-financing basis would only increase the debt.

The President's budget document for fiscal year 1956 estimated foreign-aid expenditures at \$4.7 billion. It estimated the Federal deficit at \$2.4 billion.

If we did not now have this expenditure for foreign aid, and if we did not have to pay the interest on the debt created by previous foreign-aid expenditures, we could balance the budget and reduce taxes across the board by 5½ percent.

But instead of reducing foreign assistance programs the bill, following closely the President's request, would increase appropriations for foreign aid nearly 10 percent over those enacted last year.

The Mutual Security Act of 1955, enacted July 8, 1955, contained new authorizations for appropriations of new money totaling \$3,286 million for foreign aid, and the authorization to reappropriate \$200 million of unobligated, unreserved, unexpended balances. These figures total \$3.5 billion in authorizations for fiscal year 1956.

Pursuant to the earlier authorization bill, the pending appropriation bill would appropriate new money totaling \$3,205 million, and would reappropriate \$84 million of unobligated, unreserved, unexpended balances. These figures total \$3,289 million in appropriations for the fiscal year 1956.

The President's budget document for the fiscal year 1956 estimated that expenditures for foreign aid will total \$4.7 billion, as compared with \$4.3 billion in the fiscal year 1955. This is an increase of \$400 million, or 9½ percent. Nothing in this bill would require substantial revision of this expenditure estimate.

To many of us who have been taking consolation in the thought that foreign aid was diminishing, it is startling and disturbing to find now that both appropriations and expenditures are to climb again.

Instead of curtailing foreign aid, we are expanding it. If we are to continue aid in Europe, and if we are to duplicate in Asia what we have done in Europe, many billions more will be added to the public debt for these programs.

The budget document estimated that foreign-aid programs would enter the fiscal year 1956 with unexpended balances on hand, from old appropriations, enacted in prior years, totaling \$8.1 billion. The committee report on the Mutual Security Authorization Act of 1955 revised this unexpended balance estimate upward to \$8.7 billion. The Senate committee report on this bill does not include an estimate of these unexpended balances. Treasury reports show that as of March 31, 1955, unexpended balances in foreign-aid appropriation accounts totaled \$10.1 billion.

It is particularly disturbing to me that it is contemplated to increase foreign-aid authorizations and appropriations at a time when in existing appropriations there are unexpended balances of somewhere between \$8 billion and \$9 billion.

What part of these unexpended balances are obligated? How firm are the so-called obligations against them? It is doubtful whether anyone really knows the answers to these questions.

By long experience I have found, particularly in the case of foreign-aid programs, that there are different kinds of obligations. There are contract obligations, and there are obligations by so-called letters of intent. In foreign aid, especially, there seems to be obligations based on notations of ideas. And now reference is made to "reserved funds" in the nature of obligations—whatever that may mean.

Mr. LONG. Mr. President, if the Senator will yield to me, let me say that I have been informed that some of these funds have been obligated and deobligated as many as seven times, just to keep the money available to the executive branch, so it could be spent. As the Senator from Virginia is pointing out, nowadays they simply say they reserve funds, which means they are thinking of spending them; and that holds the funds available for expenditure.

Mr. BYRD. That is correct. As chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, it has been impossible to obtain any definite ideas as to these so-called obligations. I regard a contract obligation by means of a so-called letter of intent as no obligation at all; that simply means writing a letter stating that it is expected to do so and so. But that is not a binding obligation.

It should be noted that these foreign-aid programs have a way of changing to conform with the attitude of the times. I do not know whether we call it a change in bookkeeping terms, whether we call it changing names on doors, or whether we call it changing appropriation titles; but for instance, a new thing which is coming to the fore is called direct forces support. It seems to be a sort of twilight foreign-aid-spending program which could be regarded as either military or economic or both, depending on one's attitude. I think in that category, approximately \$1 billion is so classified.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement as to the method by which these expenditures will be made under the provisions of the pending bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Appropriations in this bill may be summarized as follows:

Military assistance-----	\$1,125,000,000
Economic assistance:	
Direct forces support-----	317,200,000
Defense support-----	1,027,000,000
Development assistance---	162,000,000
Technical cooperation-----	155,500,000
President's fund for Asian economic development--	150,000,000
Subtotal-----	1,811,700,000
Miscellaneous (special fund of the President, joint control areas, migrants, refugees, and escapees, U. N. children's fund, Palestine refugees, NATO civilian headquarters, ocean freight, control act, and administrative)-----	268,641,750
Reappropriation of unreserved, unobligated, unexpended balance-----	83,900,000
Total-----	3,289,241,750

Programs for which appropriations would be made in the pending bill are listed and described as follows:

Military assistance: Largely weapons, ammunition, and military transport and communications equipment-----	\$1,125,000,000
Direct forces support: Civilian-type items required by military establishments, such as food, clothing, petroleum, etc.-----	317,200,000
Defense support: Primarily machinery and commodities, including surplus agricultural commodities, to enable a country to maintain a higher level of defense activity-----	1,027,000,000
Development assistance: Aid for underdeveloped areas in the form of grants and loans for expansion of industry and agriculture, transportation, communication and power facilities, etc.-----	162,000,000
Technical cooperation: Largely for personal services of trained technicians who are engaged primarily in training and demonstrations designed to aid underdeveloped countries (allocation includes \$24 million for U. N. and \$1.5 million for Organization of American States programs, remaining \$130 million is for direct bilateral United States technical aid)-----	155,500,000
Special fund: An emergency fund which the President may use without regard to other requirements of the act-----	100,000,000
Joint control areas: Aid to areas formerly occupied by United States and other nations jointly; primarily general assistance to the city of Berlin and technical exchange in Austria-----	21,000,000
Migrants, refugees, and escapees: Three programs aiding and providing temporary care and permanent settlement of such groups: Intergovernmental Committee for European Migration-----	12,500,000
United Nations Refugee Fund-----	1,400,000
Escapees-----	6,000,000
United Nations Children's Fund: Long-range child welfare programs in underdeveloped countries, operated by United Nations to which United States contributes 60 percent in 1955 with the 1956 request for 57½ percent-----	14,500,000
Palestine refugees: United Nations technical, economic, and development assistance to Palestine area; still includes much relief as well as rehabilitation-----	60,366,750
NATO civilian headquarters: United States contribution to civilian expenses of NATO, including construction of new building-----	3,700,000
Ocean freight: To subsidize ocean freight costs for surplus agricultural commodities, including shipments by voluntary relief agencies-----	\$14,500,000
Control Act expenses: Administration of the provisions of the Mutual Defense and Assistance Control Act (the Battle Act) with respect to restricting trade by our allies in strategic materials with unfriendly nations-----	1,175,000
Administrative expenses: General administrative costs, exclusive of military assistance and direct forces support-----	33,500,000
President's Fund for Asian Economic development: New special fund for a program designed to promote the economic development of the Asian region as a whole-----	150,000,000
Unexpended balances, unobligated and unreserved--	83,900,000
Total-----	3,289,241,750

Mr. BYRD. Mr. President, to this date I have voted for reasonable military assistance, but the time has come to apply the rule of reason. In the first place, the United States should not continue military assistance for countries now able to provide for their own defense. In the second place, we should not appropriate for economic assistance in the guise of military assistance. But that is what the bill does, by changing the title, as I have stated, to "Defense Support," which has little, if anything, to do with actual defense.

I shall never hesitate to vote to provide food and shelter for those who need it. It is not my intention to oppose the United States undertaking its full share of the price for military defense of freedom.

But I ask with all sincerity if the time has not come for us to stop the programs which started out as economic rehabilitation but have now developed into subsidy of foreign enterprise which is competing with our own domestic production.

The distinguished presiding officer [Mr. THURMOND] knows that all through Europe and Japan economic aid was used to rebuild textile plants in those countries, so that today they have the finest plants in the world, exceeding in effectiveness and efficiency even our own plants. Not \$1 did they pay for those plants. They were all paid for out of so-called economic aid.

It is appropriate indeed for us to inquire, When will foreign aid end?

With our debt at a staggering sum, with our taxes near their peacetime peak, with our Government still, after more than a quarter of a century, on a deficit financing basis, I ask for an answer to the question:

When will foreign aid return to a declining scale or cease?

Why is it necessary to increase appropriations nearly 10 percent for foreign aid at this late date?

Mr. ELLENDER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment, which will be stated.

The first amendment of the Committee on Appropriations was, under the heading "Mutual Security", on page 2, line 6, after the numerals "124", to insert "to remain available until expended."

The amendment was agreed to.

The next amendment was, on page 2, line 7, after the amendment just above stated, to strike out "\$705,000,000" and insert "\$1,125,000,000."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. HAYDEN. Mr. President, very briefly I should like to say that this is the major item in dispute between the Senate and House. A number of circumstances induced the House to reduce the amount of this appropriation, but our committee believes that under the present circumstances, particularly with the President of the United States at Geneva, and in view of the fact that he asked for this money, it would be the part of wisdom to allow it.

The question which arises primarily in this respect is whether the difference, which is some four-hundred-million-odd dollars, was justifiably reserved or obligated by the Department of Defense on the 30th of June with the approval of the Bureau or the Budget. That question we shall have to argue out in conference. However, let me say that, in a broad way, your committee thought that in order to carry out the established American national policy, which is that we should be adequately prepared to defend ourselves if a war should come, the entire amount of the money heretofore appropriated for military assistance should be available at this time, and not be allowed to revert to the Treasury.

These appropriations are intended to provide the means required for the implementation of a foreign policy that is vital to all of us. They are designed to help in the creation throughout the free world of the kind of balanced military, political, economic, and moral strength which is fundamental to the attainment of our highest national aspiration—the establishment of a permanent, enduring peace under conditions that freemen can accept.

Mr. ELLENDER. Mr. President, I rise in opposition to the pending amendment. Its effect would be to add \$420 million to the \$705 million provided in the bill as passed by the House, making the total for military aid \$1,125,000,000.

I listened with a great deal of attention to the speech just made by my good friend from Virginia [Mr. BYRD]. He asked the question as to when foreign aid may be expected to end. I have been seeking an answer to that question for the past 3 years.

As the RECORD will show, I voted for the Marshall plan in 1948. I thought that economic aid would end soon after

we placed our allies, our friends across the sea in Western Europe, on their feet; but instead, as the distinguished Senator from Virginia has just stated, aid has continued—and will apparently continue—perhaps under a different name from that with which it began, but it is continuing nevertheless. Today it is military aid—but it is aid which I submit can be eliminated. The committee's amendment should be defeated, first, because of the huge unexpended balances which are now on hand. I propose to document, as well as I can, the evidence adduced before the committee, which indicates that today, in round figures, there are in unexpended balances \$8.4 billion, \$6.5 billion of which is for military aid, aid of the same character that would be provided by the \$1,125,000,000 which the Senate Appropriations Committee is now requesting.

Evidence given by those connected with the military demonstrates that if we should not appropriate a single dime this year there would be available sufficient funds to carry on this program for 2 years.

As I pointed out in the committee when the general defense bill was pending there, we ended the fiscal year 1954 with \$15.6 billion of unobligated balances from defense appropriations. On June 30, 1955, we closed the year with \$11.6 billion of unobligated funds for general defense purposes. The armed services admitted before the committee that when the present fiscal year ends, they will have an unobligated balance of \$6.4 billion, as I propose to point out in connection with the pending measure.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. My colleague has made a very thorough study of this subject. It seems to me that, in justice and fairness to himself, every Senator should hear the argument being made by the senior Senator from Louisiana. I observe that there are only about 20 Senators in the Chamber at this moment. If my senior colleague will permit it, I should like to suggest the absence of a quorum, if he will yield for that purpose.

Mr. ELLENDER. I doubt if any more Senators could be induced to remain in the Chamber.

Mr. LONG. There is about \$600 million involved in the Senator's speech.

Mr. ELLENDER. The entire bill involves only \$3,300,000,000. The amount I propose to trim away is, when compared with the whole, not much money. It is only chickenfeed. I hope that as we proceed, other Senators will enter the Chamber and interest themselves in this subject.

The record will show that the whole bill was considered by the Senate Appropriations Committee in hearings which lasted only 2 or 3 days. Most of that time only a few Senators were present. I am not complaining about that, because I know my colleagues are very busy. They are men of honor. They were occupied on other work, and, therefore, could not attend all sessions of the hearings.

As I have indicated, I wish to document the evidence which shows the huge unexpended balances which are available for the foreign-aid program, and which total \$8.4 billion, of which \$6.5 billion is for direct military aid.

On page 175 of the hearings Mr. McNeil testified as follows:

Senator ELLENDER. Maybe you did not understand my question. What was the total amount of money in hand since 1949-50; that is for the mutual-security program, because the table that we have before us that was handed to us by Mr. Stassen yesterday shows an unexpended balance of \$8,490,400,000.

Mr. McNEIL. That figure of \$8.4 billion is for the whole aid program, I believe, sir; not the military portion.

Senator DIRKSEN. Here is the figure on page 3. The total amount of the program in 1950-55 was roughly \$19.2 billion. They have accomplished as of January 31, \$11.3 billion.

So that the unaccomplished portion is \$7.7 billion.

Now, that figure is refined to \$6.5 billion, roughly, as of the 30th of June.

As I indicated, in addition to this huge amount, which is now on hand, we are going to add to the kitty, if the amendment of the committee is adopted, another \$1,125,000,000. If the House bill is adopted, the amount added will be \$705 million.

In committee I endeavored to reduce further the amount approved by the House. I offered an amendment to cut the appropriation provided by the House from \$705 million to \$500 million. Realizing, however, that there was no chance to have the committee adopt that amendment, I agreed to modify my amendment to provide \$705 million, which is the House figure. Instead, the committee voted to restore the military-aid item to the full budget estimate of \$1,125,000,000.

Of the huge sum of \$6½ billion, representing unexpended balances as of June 30, 1955, for military aid, \$5 billion—I ask Senators to listen to these figures—\$5 billion is scheduled for military aid to Western Europe.

I now quote the testimony of Mr. McNeil, Assistant Secretary of Defense, to substantiate my statement:

Mr. McNEIL. First, of the six and a half for military, \$5 billion has been scheduled for Europe.

Senator ELLENDER. \$5 billion is scheduled for Europe out of the \$6½ billion? Now, what is the status of that?

Mr. McNEIL. The shipments are going forward every day.

Senator ELLENDER. How much of that \$5 billion is in reserve, sir?

Mr. McNEIL. All of it, sir, except that portion which is directly obligated for offshore procurement contracts, or for unusual items, such as minesweepers, which are bought directly.

The amount for such purposes, as Mr. McNeil stated, is very small in comparison with the full amount on hand. The great bulk of the funds is not under contract; it is only reserved.

Mr. McNeil, in further answer to questions, stated that this amount was only technically obligated. What that means, I was unable to determine. However, the fact remains that the five billion-plus dollars, which has been accumulat-

ing for the past 6 or 7 years, is presently designated for Western Europe. It is my belief, Mr. President, something ought to be done to restudy and reevaluate the present-day conditions in Europe, so that we may make an all-out effort to get most of our allies, who are now well off, to assist us, at least, in carrying this huge armament and economic-aid load.

Mr. President, as I indicated a moment ago—and I will produce the evidence to show it—the amount now on hand is sufficient to carry the mutual-defense program for 2 years. That evidence is found on page 180 of the House hearings. I do not wish to read all of the excerpts from the Senate Appropriations Committee and House Appropriations Committee hearings that relate to this subject, because to do so would take considerable of the Senate's time. Therefore, I ask unanimous consent that the excerpts I have marked in these volumes be printed in the RECORD in connection with my remarks. I make that request in order to save the time of the Senate.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

RESERVATION FUNDS

Senator. The obligations, direct contracts recorded directly against military assistance money is about \$1.8 billion with \$4.7 billion classed as reservation. The reservations cover orders to the Army, Navy, and Air Force.

Senator ELLENDER. In other words, that money is there to purchase material that may be in the hands of the Armed Forces or if they are not readily available from stock, to put them under contract. Is that right?

Mr. McNEIL. Things that they might not have in stock, or are likely not to have in stock, will be under contract by them and are classified as obligations against Department of Defense appropriations.

Senator ELLENDER. What I am trying to get at is the actual amount. You say it is \$4.7 billion that is in reserve, that is not obligated?

Mr. McNEIL. Well, if this order that is placed by military assistance with the Army or with the Air Force were with a private firm, it would be truly obligated.

Senator ELLENDER. But it is not up to now. You have it there?

Mr. McNEIL. It never will be technically obligated until the material actually is shipped, until the shipping ticket shows it is on its way.

Senator ELLENDER. And actually needed?

CONTRACT FOR TANKS

Mr. McNEIL. For example, a contract is outstanding today with the Chrysler Corp. to build a number of tanks per month. That contract is an obligation for payment the next 2 years—it runs to the end of 1957 for a certain rate of production. That shows as an Army obligation, but the tanks from that contract when delivered will go to fill this requirement.

Now, Army does not have the money for it. They have, however, money to pay Chrysler until they can collect from military assistance, but we have to set that money aside in the military assistance appropriations, and to that extent it is, in reality, under section 110, a firm obligation for reimbursement to the Army from military assistance funds. This is termed a reservation.

Senator ELLENDER. But you do have money on hand in that category of over \$4 billion?

Mr. McNEIL. That is right.

Senator ELLENDER. You want to add to that another \$1,125 million?

Mr. McNEIL. Yes. Out of that total for next year, which is the \$6½ billion plus the \$1.1 billion, the expenditures for deliveries and services are estimated at about \$3 billion. We can give you a picture of what our situation will be 1 year from today.

(Senate hearings, p. 180.)

NEED FOR NEW FUNDS AND USE OF UNEXPENDED FUNDS

Mr. PASSMAN. Mr. Hensel, I have followed you very closely there.

Based on the request for this year, the amount of unexpended balances available for the future are such that this program really could go full steam ahead for 3 years, could it not, just based upon the average amount for the past 3 years, even though you did not get any money?

Mr. HENSEL. If you would say 2 years and a fraction I would agree with you, sir.

Mr. PASSMAN. \$9,531,000,000?

Mr. HENSEL. The only thing I can follow is just the military assistance part of it. That is \$7.2 billion or \$7.1 billion.

Mr. PASSMAN. This says \$7 billion.

Mr. HENSEL. Right.

Mr. PASSMAN. As of April 30.

Mr. HENSEL. Yes.

Mr. PASSMAN. In other words, there is sufficient money available in the pipeline to go full steam ahead for 2 years plus, if you had no additional money?

Mr. HENSEL. That is correct, sir. May I say there is a proviso to that, sir.

Mr. PASSMAN. The planning?

Mr. HENSEL. No. Right away, that has all been programed.

Mr. PASSMAN. Yes.

Mr. HENSEL. And it is assumed that that will be delivered, and it represents materiel and hard goods and training schedules. There are very few training schedules, because most of those are completed.

(House hearings, pp. 64-65.)

Mr. ELLENDER. Mr. President, as I stated a while ago, these reserved funds have not been tied down, as it were, by contract. The evidence showed, as the distinguished Senator from Virginia [Mr. BYRD] has pointed out, that much of the money which was appropriated in 1950, 1951, 1952, and down to the last fiscal year, was shifted from one program to another, and from one country to another.

Much of the money which was set aside for Europe was used in Southeast Asia. Therefore, the amount we now have on hand can be used in any part of the world.

On page 182, the testimony shows:

Senator ELLENDER. Tell me this—Have you that \$5 billion tied down and promised to those people? Is it so committed that you cannot change it?

Mr. McNEIL. I would say you could change it. You have an obligation to fulfill but if they do not live up to their portion—

Admiral Radford, who appeared before our committee, testified on this subject. Admiral Radford testified that because of changing conditions these funds can be sent to Europe, southeast Asia, or to any other part of the world that the armed services desire they be sent. That, in effect, was his testimony. I ask unanimous consent that an excerpt from pages 112 and 113 of the Senate Appropria-

tion Committee hearings be placed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Chairman HAYDEN. Is there enough flexibility that you could explain to some particular country that "You were told we were going to give them a certain thing this year, but now we are a little short; we have to take care of something else"? Are there commitments firm and binding so that you cannot get out of them?

Admiral RADFORD. No, sir; not so much that way. It is mainly because we have contracted for the material.

In other words, Mr. President, any material which is contracted for, of course, comes within the category of an obligation, but it can still be used wherever the Department of Defense sees fit.

Mr. President, as was stated by my good friend and colleague from Virginia, much of the funds which were appropriated in the past 4 or 5 years have been obligated and reobligated many, many times.

To quote Mr. Stassen, at page 73 of the Senate Appropriations Committee hearings:

Senator ELLENDER. Does that indicate any changes because of changed conditions, any reductions, or any transfer from one country to another?

Mr. STASSEN. That indicates that up to date as of January 31, 1955, that is the situation worldwide. Whenever something comes up that requires a change, then these master records in the Department of Defense are changed. It is a constantly changing picture.

Senator ELLENDER. That is what I want to look into.

Mr. STASSEN. You could go—

Senator ELLENDER. We are entitled to know these facts; we must find out where this equipment and money goes. I think that if that information was furnished, it would show that there is not any solemn agreement to do thus and so, as was indicated by Mr. Dulles yesterday.

Mr. President, I cite this evidence simply and solely to show that this is a changing program, and that there is no firm commitment covering these funds in the pipeline as many of us have been led to believe, and that if we should curtail any of these amounts which are now being requested we would not be violating a promise made to any of our allies. The evidence is replete with testimony which indicates that such is the case. I repeat, Mr. President, that with this huge sum of over \$8 billion now in the hands of the administrators of the programs, they do not even need the amount which the House provided. They could do with much less; in fact, as was brought out in testimony before the Senate committee, if Congress did not appropriate another dollar for foreign military aid, the \$6.5 billion which is now in the pipeline would carry the program forward for more than 2 years.

Mr. LONG. Mr. President, will my colleague yield?

Mr. ELLENDER. I yield for a question.

Mr. LONG. I notice in the House hearings that reference is made to one item in connection with which the obli-

gation was made, and the item was changed seven times. Still, we are told that every penny is obligated.

Mr. ELLENDER. Is that on page 269 of the House hearings?

Mr. LONG. I was looking at page 198 of the House hearings.

Mr. ELLENDER. My colleague has anticipated him. That is the next item I was going to take up.

Mr. LONG. Furthermore, I notice in the House report that reference is made to the so-called obligated funds, and of those moneys \$2,704,000,000 are referred to as being reservations pursuant to section 110, Public Law 778. As I understand, it is simply a matter of some officials of the Department thinking it would be a good idea to spend some money for airplanes for one country or airports for another country, and they have reserved the money and have never obligated it, in a contractual sense, with any country.

Mr. ELLENDER. The evidence shows that during the month of June in the neighborhood of a billion dollars was in that category. In other words, up to June 1, of the moneys appropriated for the past fiscal year, almost a billion dollars was put into that category of unobligated funds. It was simply transferred from one account to another. There is no human being on earth who could explain that billion dollars. I think it was on June 30, at 6:30 p. m., 5½ hours before the deadline, that more than \$700 million was obligated.

Mr. President, I read from page 269 of the House hearings:

Mr. PASSMAN. Something was mentioned a little while ago in answer to Mr. WIGGLESWORTH's request for certain information, with respect to expenditures, and the amount of deobligations and reobligations in 1955.

According to the information furnished the committee, the deobligations and reobligations in 1954 and prior appropriations for FOA as of June 30, 1955—and this is for the FOA program—in general, the deobligated figure amounts to \$87,402,183, and of that amount you reobligated \$36,595,000.

In Indochina you deobligated \$46,205,387 and reobligated \$46,205,387; the total deobligations, \$133,607,570; you only reobligated \$82,800,387, leaving a balance carried as obligated of \$51 million. You are familiar with that particular figure.

Mr. President, that is only one instance cited in the record. I attempted to ascertain information regarding some of these obligated and deobligated funds, but the responsible officials were unable to furnish the information. I am satisfied that if the truth were known, this transaction was made in order to bypass the so-called Mansfield amendment, because, under the bill, as I remember it, not more than \$200 million in prior appropriations could be carried over into the new fiscal year. Is that correct?

Mr. MANSFIELD. That is correct.

Mr. President, will the Senator from Louisiana yield at that point?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. On the last day of the fiscal year, within 5½ hours of the deadline, over \$700 million was reserved, was it not?

Mr. ELLENDER. That is correct.

Mr. MANSFIELD. This thing is becoming more fantastic by the day.

When I spoke with reference to it the other day, the figure was \$575 million. Then I received a letter the next day from the Assistant Secretary of Defense, stating that it was \$614 million on the last day. Now the senior Senator from Louisiana says the amount obligated within 5½ hours of the termination period was more than \$700 million.

Mr. ELLENDER. The two items involved are \$420 million, which members of the House committee refused to permit to be obligated, and \$312 million to which they raised no objection.

Mr. MANSFIELD. I think the Defense Department and the Budget Bureau should be investigated and brought to account, because there is something questionable going on when such a transaction is made. I do not see how they could obligate that amount of money, unless by a wave of the hand, in that length of time.

Mr. ELLENDER. I am in complete agreement with my good friend, the junior Senator from Montana. There can be no question about it. That is one of the arguments I am advancing to demonstrate why the House figures rather than the Senate committee figures should be approved. I now propose to give other reasons why we should not accept the Senate committee figures.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. When the executive branch of the Government knows it is facing a deadline for the expiration of authority to spend more than \$700 million, and after the executive branch has worked for months trying to dispose of the money, by obligating it or spending it, but until the last 5½ hours of the fiscal year it has not found a way to obligate it, would not that indicate that perhaps the executive department could deobligate \$700 million just as rapidly as it could obligate it?

Mr. ELLENDER. Of course, they could do in the future what they have done in the past. They have obligated funds and later deobligated them, and then used them for other purposes.

What actually happened, in my humble judgment, was simply that they tried to get under the wire before the expiration of fiscal year 1955, because they knew the Congress would not let them carry this huge amount forward into fiscal year 1956.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. How does the Senator reconcile these situations: The executive branch allocated, reserved, obligated, or whatever one may wish to call it, more than \$700 million in the last 5½ hours of the last day of the past fiscal year. At the same time they held back, in another bill, \$46 million which Congress had appropriated to keep the Marine Corps at its present strength.

At almost the same time the executive department held back funds for 107 projects, which Congress said should be built for the development of the United States and for the benefit of the American people. That was to have been an

investment of millions of dollars in America.

How does the Senator reconcile the action on the part of the executive branch in withholding those funds, contrary to the will of Congress, for projects which the executive branch testified before congressional committees they favored? Yet Congress is expected to honor the word of the Defense Department, which has never come before Congress for a supplementary appropriation for the aid program, indicating that over the years they have had far more than they could legitimately have spent.

Mr. ELLENDER. I certainly cannot furnish the answer to my good friend from Montana. The only difference is that one bill provides for foreign aid, while the other provides for domestic aid. I might point out, too, that there are some persons on the Washington level and in the field who are more persuasive advocates of the cause of our foreign allies than are our foreign allies, who cannot come before the Congress to plead their case. In other words, we have not had anyone from France come before the committee to tell us how much France needs. Neither have we had anyone from Great Britain or Italy come before the committee and tell us what those countries need.

It is our own representatives in the field, who make the reports, and also the officials in Washington, who say, "This is what we ought to ask Congress to appropriate for our friends." The foreign-aid budgets are made in that manner.

I can assure the Senate that a representative of France could not possibly have come before us, even if France had sent her best statesman, and made a more persuasive case for France than was made by our own State Department officials and the officials who headed the old FOA, which came to and end on June 30.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. LONG. The Senator was chairman of a subcommittee which made a study of the amount of money which should be appropriated to build flood control, power, and reclamation projects in the United States. After his committee, the Senate, and the House of Representatives had agreed to add a few million dollars to provide benefits for the people of the United States, the President then said he thought he had better hold up the funds, because he had not had the opportunity to give the projects the thorough study which they should have had. Actually, they had already been studied by the executive, the Army engineers, the respective departments involved, the committees of Congress and then, for a second time, by the Bureau of the Budget.

We find many items like the one appearing on page 198 of the House hearings, a small project, as to which the cost has been changed seven different times.

Mr. ELLENDER. I thank my colleague for his remarks. The projects to which he has referred have all been au-

thorized by Congress in separate legislation. Congress heard the evidence as to whether a project was legitimately necessary and whether it should be built. After such a project has been authorized, studies and plans are made.

As to 2 or 3 projects which were considered by the Public Works Subcommittee of the Senate Appropriations Committee during the last month, it is my recollection that the evidence was not clear whether they had been sufficiently planned. With respect to the remaining 104 or 105 projects, all of them have been studied, restudied, planned, and are ready to go.

That evidence can be found in the record, because when the projects were presented to our committee, I made certain not only that they were justified, but that evidence was adduced to indicate that the money which was sought to be appropriated could be economically and efficiently spent during the present fiscal year.

It is true that there were some un-budgeted items. I believe that is the main objection of the President to the 107 projects. But the fact remains, as I shall indicate in a moment, that as to some of the funds requested in this bill to undertake public works projects in foreign lands—projects which are similar to the ones we are building in our own country—the planning for those projects has not even been done. The executive branch tells the Congress that it hopes to spend these funds in various foreign lands, without knowing how much actually will be spent in each country. It does not even know what the projects will be, as I shall indicate in a moment. It naturally follows that our planners have no idea how much they will cost.

As I stated a while ago, the huge un-obligated balances which are now in the hands of the military—an amount sufficient, as I have pointed out, to operate the program for more than 2 years without any additional money—should be sufficient reason for the Senate to approve the amount provided by the House rather than the amount recommended by the Senate Appropriations Committee.

The second reason I wish to advance in opposition to the committee amendment is that in the light of the recovery which has been made in Europe by virtue of the money, running into billions of dollars, which has been sent overseas by the United States since World War II, the entire mutual security program should be reevaluated. Someone should be designated to make a study of the subject. We should determine the extent to which our allies are now able to assist themselves, and to lift from our shoulders at least a portion of the burden of preserving freedom throughout the world.

Mr. President, statistics relating to the industrial production of the countries of Western Europe show that the average production is in excess of 158 percent of prewar. In other words, the countries of Western Europe today are 158 percent better off industrially than they were before World War II.

Mr. President, it was my privilege to visit the countries of Western Europe last year, and I have never seen such prosperity. There were almost as many automobiles on the streets of Paris, London, Rome, and even the smaller cities, as there are in our own country. Yet, with all of that prosperity, we are being asked to keep on filling the tills of those countries with borrowed money—not money that is surplus to our needs, but every dime of which our Government has had to borrow.

As I pointed out a few weeks ago when the foreign aid authorization bill was before the Senate, we have had a balanced budget only 3 times during the past 24 years. Two of those occasions were after World War II, when there were numerous cancellations of war contracts and the money which had been appropriated for them had not been paid out, so we were able to recapture those funds and thereby balance the budget. We also balanced the budget when we imposed on the American people a 10 percent increase in income taxes, in order to finance the Korean war on a pay-as-you-go basis. That year we collected more money than we spent. That was the third year in which we balanced the national budget. But Senators should not be misled by the fact that our Government operated out of the red in those 3 years. As a matter of fact, we have not really and truly balanced our budget in the past 24 years. And, as I have stated, every dime and every dollar we are providing for foreign aid in the pending bill will be borrowed money.

At the end of the last fiscal year, on June 30, 1955, the Government ended up a little more than \$4 billion in the red. Our national debt today is somewhere in the neighborhood of \$277 billion, as I recall.

Why, Mr. President, in 1937, the year that I came to the Senate, the amount Congress appropriated in order to operate every department of Government, including funds to pay the interest on our then existing debt, and to make a small payment on the principal of the debt, was only a few hundred million dollars more than is now required merely to pay the interest on our debt alone.

Let us consider the \$4 billion by which the Government went in the red for the fiscal year ending last June 30. We are going to have to pay interest on that debt at the rate of about 2½ to 2¾ percent per annum.

Mr. HUMPHREY. The interest rate is rising.

Mr. ELLENDER. Perhaps the interest rate will go up, as my good friend from Minnesota has just suggested. Perhaps it will be 3 percent or 3½ percent. For every billion dollars we went into the red last year, it will cost us in the neighborhood of \$30 million a year to carry the debt. And the same will be true with respect to our deficit during the current fiscal year.

As I have just pointed out, the European-recovery program started in 1948, and the military-assistance program took its place in 1950. We have appropriated annually for foreign aid since then. From some of these earlier programs

huge unexpended balances—money that could not be spent—are still on hand, in sufficient volume to operate the program for 2 more years. In view of this fact, Mr. President, and, further, since every dollar we spend this year on foreign aid will undoubtedly be a borrowed dollar, I think it is a sin and a shame that we should continue to burden the Government and the American people in this manner.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. LONG. During my colleague's visit in Europe, I wonder if he noted some surprise on the part of people of those prosperous countries when they were told by the Senator that the money we were giving them was actually money we were borrowing.

Mr. ELLENDER. Yes; I may say to my colleague that on many of my trips I had occasion to talk to kings and to prime ministers and other high officials of various countries of the world, and when I told them of the condition of our treasury, at a time when I think the debt was between \$267 billion and \$268 billion, and that all the money we were lending them was borrowed money, they could not believe it. They said, "The United States should not do that." They sincerely felt that if we continued to overload ourselves, as they put it, it would be bound to affect our own economy.

Mr. President, it is not necessary that we have another war, in order to destroy our way of living. It is easy to anticipate what will happen if we simply destroy initiative and incentive. If we continue to pile up the debt as we have been doing, it is easy to guess what will happen. The result will not be pleasant.

I was told, not once, but many times, that if ever the United States Government goes under, because of economic failure, or otherwise, the whole world may be in darkness. That fear was expressed to me on 2 or 3 occasions by some of the rulers and foreign ministers with whom I talked, and who could not believe that the money which was being made available by us to them and to other countries was borrowed money.

Mr. President, as I indicated a while ago, industrial production in Western Europe has been on the increase. The figures I now submit show how industrial production in the countries indicated has increased over prewar production.

Denmark, 165 percent.

Belgium, 144 percent.

France, 148 percent.

Greece, 167 percent.

Italy, 171 percent.

The Netherlands, 172 percent.

Norway, 180 percent.

Turkey, 232 percent.

The United Kingdom, 147 percent.

Agriculturally, the progress has been considerable compared to what it was in prewar years.

In Belgium, agricultural production has increased 14 percent over prewar production.

In Denmark, 22 percent.

In France, 18 percent.

In Greece, 26 percent.

In Italy, 24 percent.
 In the Netherlands, 19 percent.
 In Norway, 15 percent.
 In Portugal, 34 percent.
 In Turkey, 64 percent.
 In the United Kingdom, 29 percent.
 In Germany, 18 percent.

Mr. President, those increases in industrial production have been due to our efforts in assisting those various countries, and also, of course, to their cooperation in carrying out the programs we were instrumental in initiating for them.

Mr. President, I now read from page 6 of the report of the Senate Foreign Relations Committee:

Our assistance of this character must always be held in reasonable bounds. It must take into careful consideration our own economic situation and our ability to furnish such aid consistent with the well-being and welfare of our own people, as well as the ability of the recipient countries to make proper use of it.

Since the United States embarked on major foreign-assistance programs in 1948, the emphasis has shifted from economic assistance to Europe, to military assistance to Europe, and then to military assistance to Asia. It is now shifting to economic assistance to Asia.

The positive results of these past programs are very impressive. Western Europe has been rehabilitated economically. It has been strengthened militarily. Communist aggression has been checked in the Far East, and the basis for the further generation of military strength in that area has been laid.

Mr. President, as I pointed out a while ago, there is now in the pipeline—that is, appropriated but unexpended funds from past programs, roughly \$5,500,000,000 which is available to continue the assistance which now is being afforded to the countries of Western Europe. In the light of their great economic advancement, as well as their agricultural advancement, I believe the entire program should be restudied and reevaluated at this time in the hope that we can get them to do their just share in carrying the free world's burden—a burden that we are now being asked to carry alone.

Mr. President, I hold in my hand an article written by none other than Gov. Harold Stassen, who headed the FOA until June 30 of this year. I refer to an article entitled "Do It Yourself," written by Harold E. Stassen, and published in the June 1955 issue of the Veterans of Foreign Wars magazine. I read from the article—and this is Mr. Stassen himself speaking:

Since the Marshall plan began, Europe's recovery has been complete; industrial production is currently up 57 percent over 1948; agricultural output has climbed 26 percent; steel production and electric power output have risen 65 and 68 percent respectively; gold and dollar reserves are now at an all-time high, and intra-European trade has almost doubled.

Yet, Mr. President, even with such progress, we are still being asked to provide all of the cost of strengthening the economies of the Asian, African, and Latin American nations, as well as strengthening their military forces. Certainly our Western European allies are able, and should be willing to help us in this task.

I shall not take the time of the Senate to read the entire article by Mr. Stassen

into the RECORD, although it is very interesting in its entirety, and it shows clearly the progress which has been made by our European friends. Instead, Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Veterans of Foreign Wars magazine]

SHOWING THE FREE COUNTRIES OF THE WORLD HOW TO DO IT YOURSELF—AMERICA'S "PARTNERSHIP POLICY FOR PEACE" BUILDS RESISTANCE TO COMMUNISM

(By Harold E. Stassen, Director, Foreign Operations Administration)

This June marks the eighth anniversary of the Marshall plan proposal. On June 7, 1947, Gen. George C. Marshall, speaking at Harvard, urged all nations to join with the United States in developing a practical plan for "the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."

At that time the peoples of five once-free nations of Europe—Poland, Hungary, Eastern Germany, Bulgaria, and Albania—had already fallen into the Communist sphere. While proposals for economic cooperation were being debated and discussed in the capitals of the United States and Western Europe, two more nations with a long and distinguished tradition of freedom—Rumania and Czechoslovakia—were added to this list.

In all of these countries the people lost liberties which they possessed before the war. In none of these nations were the governments free to act independently any longer; each began to take orders from the Kremlin.

Meanwhile, the war-battered free countries of Western Europe were gripped by economic paralysis. Industrial and agricultural production lagged far behind prewar levels. Major industries, such as steel, electric power, lumber, and iron ore had been seriously crippled by the war.

Food shortages were further aggravated by unusually hard winters and severe droughts. Even the barest minimum dietary needs could not be met by the shrinking supply of basic foodstuffs, such as wheat, rye, meat, and milk.

The people of Western Europe were up against an economic deadend, and hope for recovery was fading until this entirely new avenue of economic cooperation was proposed.

Since the Marshall plan began, Europe's recovery has been complete; industrial production is currently up 57 percent over 1948; agricultural output has climbed 26 percent; steel production and electric power output have risen 65 and 68 percent, respectively; gold and dollar reserves are now at an all-time high, and intra-European trade has almost doubled.

Even more noteworthy has been the steady rise in real wages and the 21 percent increase in per capita consumption.

I can also report that the defensive capacity of these nations to resist aggression has kept pace with economic growth. In 1951, when General Eisenhower became Supreme Commander of NATO, there were available 14 combat-ready divisions, 1,800 planes, half of which were part of Britain's home defense, 15 airfields capable of handling jets, and 700 combatant naval vessels.

By the end of 1954 the number of active divisions had increased by three times, plane strength had nearly tripled with modern jets replacing outmoded propeller driven craft, and 120 airfields were now available while NATO naval strength had more than doubled.

The Western European countries are now furnishing over 85 percent of NATO's ground forces.

In one fiscal year, 1954, Western Europe contributed \$13 billion to defense, more than the entire cost of the Marshall plan, \$12 billion, which covered a 3-year span.

Although defense contributions of our European allies have increased progressively, their standards of living have continued to improve. The people of Western Europe are today better fed, better clothed, and better housed than at any time in this century.

Besides helping effectively to restore the economic strength and defense capacity of our allies, mutual security programs have produced other favorable results.

In Western Europe Communist Party strength has receded significantly, with losses in party membership ranging from 15 percent in Italy up to 61 percent in Germany.

Of even greater significance is the fact that since the Marshall plan began there have been no new aggressions in Western Europe.

Since 1951 the United States has spent between forty to fifty billion dollars annually, or about 10-14 percent of our gross national product to build and maintain our own military forces.

The mutual security program in its entirety, including military, economic, and technical components, has never amounted to more than 2½ percent of our gross national product and since 1952 has declined markedly down to the current appropriation of \$2.8 billion, less than 1 percent of the gross national product and less than one-tenth of our current defense expenditures.

Mutual security programs have also enabled the United States to conserve its most vital commodity—American manpower. Recently President Eisenhower reported that around the globe, our allies with effective help from the United States, were "equipping and training the equivalent of more than 180 divisions, 551 combat vessels, 278 squadrons and related supporting units." This is roughly about nine times the number of ground divisions, twice the air squadrons, and about the same number of combat vessels maintained by the United States alone.

These direct results demonstrate conclusively that a relatively small investment in mutual-security programs has enabled the United States and the entire free world to generate large assets for peace.

A close, hard study confirms that the world has moved a long way on the road to peace in the last 2 years.

The bloodshed in Korea has been stopped and open warfare in Indochina has been halted.

In the Near East, Great Britain and Iran have reached an amicable settlement on the question of the Iranian oil refineries and production has been resumed.

The Suez Canal issue has been settled. Italy and Yugoslavia, after patient negotiation, have arrived at an agreement on the status of Trieste.

The historic Caracas declaration has substantially reduced the threat of international communism in Latin America. In Guatemala, where communism had gained an alarming foothold, the people themselves have driven the Communists out and restored republican government.

The Southeast Asia Treaty Organization has opened the gateway to new cooperation between Asia and the West for mutual economic improvement and growing collective security.

The London-Paris agreements to restore full sovereignty to the Federal Republic of Germany, and to bring that nation into participation in European defense will, when fully ratified, make western Europe stronger militarily and economically than at any time since the end of World War II.

Certainly there are issues still to be resolved. International tensions produce daily

hazards which can be overcome only by thoughtful, calm, and patient judgment of each unfolding situation and the complex economic and political considerations involved.

It should never be forgotten, however, that the threat of aggression is not confined to armed attack. Internal subversion and infiltration are employed incessantly to exploit the rightful hopes and aspirations of countries emerging with a new and sensitive nationalism.

This is particularly true in the lesser developed nations and especially in that vast "Arc of Free Asia" sweeping down from Afghanistan around through Japan.

Nearly one-third of all the peoples on earth reside in this region. Living standards are, for the most part, pitifully low, disease is widespread, and practical education has not reached sufficiently beyond the metropolitan communities.

Most of the governments are relatively young and there is a shortage of trained civil servants. Time has not seasoned them with experience and acquired skills, but they are learning at an astonishingly rapid pace.

For instance, gross food production in this region is now larger than ever before. Some countries have even managed to store surpluses for emergencies. There is, however, the resultant problem of inadequate transportation, of a trickle of commodities flowing between communities and nations where there could, and should be a swift-moving stream.

Three months ago I returned from an extensive journey through this region. I found there is a sound basis for continued cooperation—compelling testimony that the people of reborn Asia, if encouraged effectively by cooperative plans for long-range development, can and will wipe away the age-old patterns of poverty in the midst of plenty, and seal the future in a mold of confidence and hope.

Programs of cooperative self-help, both in the technical and development assistance fields, are products of our humanitarian heritage and reflect, in the deepest sense, the high value Americans place on the importance of the individual.

But they are more than that. They are just as obviously the product of hard-headed thinking. Cast in the direction of the lesser developed regions are strategic lifelines with raw materials necessary for our own long-term growth and essential to our present-day national security. The President's latest economic report to Congress indicates that it is possible for the United States to increase its gross national product from the current rate of about three hundred and sixty billion annually to five hundred billion within a decade.

If these expectations are to be realized, broader markets will be needed to nurture our constantly expanding industrial machine.

Apart from these factors the security of the United States is welded to the future of the free Asian countries in another way.

In Western Europe the Kremlin fiercely opposed the Marshall plan, and after economic cooperation got underway they did everything they could to undermine the programs. They realized that if the industrial resources contained in this region were added to those of the Soviet Union, the balance of industrial power between the Soviet and the United States would be approximately equal. They were also aware that if European recovery was successful the nations of Western Europe could effectively resist Communist threats.

Similar motives have prompted the Communists to turn their attention to Asia. For instance, Japan alone possesses industrial resources estimated at half those of the Soviet Union.

Throughout Asia the Communists have intensified trade fair activity, and encouraged

trade agreements designed to make Asian countries increasingly dependent on the Communist sphere. They are also attempting to counter successful free world development programs with offers of technical and capital assistance.

The need for a long-range development program is clear and the United States is responding to that need.

The program envisioned for the "Arc of Free Asia" will not require large sums of outright grants as in the case of European recovery. The emphasis will be on long-term loans and the encouragement of increasingly effective private development.

It has been found that every dollar sent abroad by private enterprise does a job equivalent to three aid dollars. Each dollar investment carries with it management skills, promotional talents and know-how accrued over a long history of success in private industry. These qualities are just as important as the dollars themselves.

The entire program will, of course, depend on the decisions of Congress. I am convinced that when the facts are presented the Congress will recognize that the Foreign Operations Administration, building on the archway of experience, has hewed to the meaning and advanced significantly the objectives of the mutual security programs. I am equally certain that these programs will continue to move forward within the framework of President Eisenhower's "Partnership Policy for Peace."

Mr. LONG. Mr. President, I should like to ask about the tenor of the article, if my colleague will yield to me.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Louisiana yield to his colleague?

Mr. ELLENDER. I yield.

Mr. LONG. Was Mr. Stassen asking that these countries do these things for themselves, or was he asking that we do them for ourselves, while we give them the money?

Mr. ELLENDER. He was trying to show the progress which was made in Western Europe and the great job he had done. As my colleague remembers, Mr. Stassen was the head of the FOA, and I assume that was the incentive for writing the article. The FOA was about to be folded up, and I presume—I am only presuming now—that he was asked to write the article.

Mr. LONG. It seems to me that Mr. Stassen's article, entitled "Do It Yourself," perhaps would further the thought that those people should do something for themselves, rather than expect to receive our funds.

Mr. ELLENDER. Certainly the headline "Do It Yourself" should apply to those whom we have so abundantly helped in the past 5 or 6 years. That is the second point I am advancing in support of my proposal to have the Senate vote for the amount approved by the House of Representatives for direct military aid, rather than for the amount recommended by the Senate Appropriations Committee.

Mr. President, I shall read now from an article which appeared in the Christian Science Monitor: "Land yields more—United States aid sparks French agriculture." That is the headline of the article, Mr. President; and it proceeds to show the great advances made by France in agriculture. I am here to say that I

had the opportunity of traveling by automobile in many sections of France, and never before did I see such prosperity; but with all of that, I repeat—and I shall keep on repeating it, we are asked still to contribute, in order to assist the French and the other people in that area of the world, whereas they themselves should be the ones to assist us, because of the huge national debt we now have.

Mr. President, I ask unanimous consent that the entire article entitled "Land Yields More—United States Aid Sparks French Agriculture," be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of June 28, 1955]

LAND YIELDS MORE—UNITED STATES AID SPARKS FRENCH AGRICULTURE

(By Egon Kaskeline)

American aid to the French economy brought about big changes in industry, but in agriculture it has generated a minor revolution.

France's hardheaded peasants have always clung to tradition. They used to run their farms exactly the same way as their forefathers did. As a result, the average yield of French agriculture was one of the lowest in Europe, much lower than that of industrially less-advanced countries.

All this is changing now. French farmers are increasingly using modern methods of cultivation and are getting much more out of their land than in the past.

The manufacture of agricultural implements and of commercial fertilizers is steeply rising. This is a sure sign that France's largest industry—40 percent of the French population are living on farms—is progressing.

From a prewar production of only 200 tractors a year, the output now has risen to 40,000 in 1954 and is scheduled to reach 50,000 this year. In setting up a virtually new industry for agricultural equipment, the influence of American aid was decisive.

PRICES HIGH

Of the nearly \$60 million which were invested in this industry since the war, the largest part was obtained from the French treasury in Marshall plan counterpart funds.

The price of the French-produced farm machinery is still high, much higher comparatively than in the United States. It is beyond the reach of the pocketbook of most French peasants. But Government subsidies as well as the sale of heavy farm equipment to peasant cooperatives have brought about a large increase in sales.

In contrast to the high-powered farm tractors which are used in the United States Middle West, French industry has succeeded in meeting the needs of the small farmers who constitute the bulk of the French country population. Thus 65 percent of the tractors produced last year had less than 25 horsepower.

Despite fast growing mechanization, manpower and animal power still account for most of French farmwork. Agricultural progress is largely confined to those districts where the population is generally less tradition-bound.

TARGET EXCEEDED

But the target of 200,000 tractors on the French farms, which had been considered as fantastic by experts 10 years ago, now has been exceeded. The target of the new modernization plan is to increase the number of tractors to 600,000 within a few years.

As a result of up-to-date cultivation methods, French agricultural production is rising

sharply. Last year, the wheat production of 10 million metric tons was an alltime record, while feed-grain production was also considerably more abundant than forecast.

France has ceased to import food from abroad and now is looking for markets for its surplus wheat, livestock, sugar, and more recently also dairy products.

At the end of the last year, the supply of soft wheat was sufficient to cover not only all domestic requirements but it left also a surplus of more than 1 million tons for export. The Government has been negotiating with West Germany within the framework of the French-German trade agreement, and some 200,000 tons of wheat have already been shipped across the Rhine. Attempts are also made to step up exports to Britain.

Mr. ELLENDER. Mr. President, I read from another article published in the Christian Science Monitor:

French Economy Takes Spurt.

A part of the article reads as follows:

Since the beginning of the current year, France's industrial production has soared upward and is now 70 percent over the last prewar year, and 25 percent above 1953.

Part of this expansion is due to the recent discovery of new sources of industrial power, such as the petroleum deposits near Bordeaux and natural gas near Lacq.

Mr. President, the article was published in the Christian Science Monitor of Tuesday, July 19, 1955.

I read from another paragraph of the article:

Some of France's traditional industries also are booming. Both output and consumption of electric power have risen to new heights, although—on a per capita basis—France still stays behind other countries of Western Europe.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of July 19, 1955]

FRENCH ECONOMY TAKES SPURT

(By Egon Kaskeline)

France, a traditional country of last-minute rescues, has again come through a crisis by the skin of its teeth.

Its economy, stagnant for many months, seems to have taken a sudden turn upward.

News of a decisive improvement of economic conditions in France will no doubt, please Washington. For some time, this country had been looking askance at the French emergency. While other Western European countries which had been receiving American financial and economic aid at a much less lavish scale than the French, were increasingly prosperous, the French economy was lagging behind.

NEW SOURCES OF POWER

Now, France appears to be catching up with the general economic progress in Western Europe.

Since the beginning of the current year, France's industrial production has soared upward and is now 70 percent over the last prewar year and 25 percent above 1953.

Part of this expansion is due to the recent discovery of new sources of industrial power, such as the petroleum deposits near Bordeaux and natural gas near Lacq.

Some of France's traditional industries also are booming. Both output and consumption of electric power have risen to new heights, although—on a per capita basis—France still stays behind other coun-

tries of Western Europe. France's steel industry is working almost to capacity and—more generally—unemployment is at an alltime low.

French exports have been nosing out some of the foreign competition on the world markets. In April of this year they were 20 percent higher than during the last months of 1954. Yet this increase of 1955 is mainly due to the heavily subsidized exports of cereals which France now produces in abundance. Wheat shipments, mainly to Great Britain and West Germany, more than doubled in 1955.

OBSTACLE TO STABILITY

For the first time since the end of the war, France's industrial prosperity seems to have given some moderate benefits to the average Frenchman. While wages have been scaling upward slowly, consumers' prices generally stayed on the level.

Yet though the French economic picture has considerably brightened, it still does not satisfy those experts here and abroad who consider the unequal distribution of the French national income as a major obstacle to Western European stability.

These critics point out that, up to date, most French industries are not yet producing for a mass market. The present high level of industrial activity rests mainly on a sharp increase in the production of equipment goods, such as machinery, and other metal products. On the other hand, the output of consumer goods not only did not increase but actually declined slightly as compared to the last quarter of 1954.

The causes of France's industrial bottlenecks have been brought into sharp relief by two recently published reports on French economic conditions.

TRADE ASSOCIATIONS HIT

Dealing mainly with the consumers' aspect of the French economic problem, Mark T. Shaw, a United States consultant on marketing, distribution, and productivity in France used strong language in charging French trade associations with doing everything in their power to nullify competitive productivity in France.

According to Mr. Shaw, the French market is controlled by trade associations which, dominated by a few large, conservative concerns, want to preserve a high profit margin by paying low wages and restricting production. They have been reluctant in introducing superior American production and distribution methods.

Another important report, published last March by the United Nations Economic Commission for Europe, blames the lack of industrialization and the unequal distribution of industrial facilities for most of the French economic difficulties.

POPULATION SHIFTS

Seen under a long-range aspect, France actually has regressed industrially since the beginning of the century. In 1900, more of France's active population was engaged in industry than in any other European country, except Switzerland and Great Britain, but, today, France has relatively fewer people engaged in industry than any other Western European industrial nation.

Moreover, France's industrial growth is heavily concentrated in the Paris region, leaving the rest of the country with a few, old-fashioned industries and a backward agriculture.

Modernization of French agriculture and population shifts from the farms to industry are held necessary to stimulate France's economic growth.

Mr. ELLENDER. Mr. President, I read now from another article published in the Christian Science Monitor:

Belgium Rides Crest of West European Economic Boom.

Mr. President, I shall read several paragraphs of the article, as follows:

Today Belgium has completely weathered the economic cutback which followed the end of the Korean war, and has pushed its industrial production to a record high.

Yet the case of Belgium is not only another example for the benefits America's postwar economic aid has brought to Western Europe.

As a result of the continued progress, trade among the Benelux countries has increased by 100 percent in 1953, while trade among all Western European nations went up only by less than 50 percent during the same period. The prophets of gloom have been wrong altogether.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of July 20, 1955]

BELGIUM RIDES CREST OF WEST EUROPEAN ECONOMIC BOOM

(By Egon Kaskeline)

Belgium is riding the crest of Western Europe's spectacular prosperity.

A highly industrialized and densely populated country, Belgium has not only succeeded in attaining virtually full employment but also in raising the living of the workers considerably.

Today Belgium has completely weathered the economic setback which followed the end of the Korean war and has pushed its industrial production to a record high.

Yet the case of Belgium is not only another example for the benefits America's postwar economic aid has brought to Western Europe.

It is also shown that to sacrifice narrow economic egoism of national interests in favor of international cooperation can pay handsome dividends.

Belgium's rapidly expanding economic union with neighboring Holland also had its temporary drawbacks, it is true. As late as 1953, 6 years after the Benelux economic co-operation scheme was officially established by the Governments of Belgium, the Netherlands, and Luxembourg, the Federation of Belgian Industries expressed strong disagreement with the government's economic policy.

The federation insisted that without strong protection for its own industries, increasing Dutch competition would swamp the Belgian market and drive out of business many of the established enterprises.

Yet, the government refused to give in to pressure and kept firmly on its course toward more complete economic union among the Low Countries.

As a result of the continued progress, trade among the Benelux countries had increased by 100 percent in 1953, while trade among all Western European nations went up only by less than 50 percent during the same period. The prophets of gloom had been wrong altogether.

It was Belgium, not Holland, which skimmed the cream of the booming trade, exporting more goods to Holland than it had ever done before.

Belgian exports have been stepped up considerably in all directions. Shipments abroad during the first quarter of the current year were almost 30 percent higher than during the corresponding period of 1954. Exports to other members of the European Payment Union have continued to exceed Belgian imports from the same sources and have brought a favorable balance of some \$26 million.

Prosperity is also reflected in a steady increase in currency circulation and in bank deposits which reached a record high of 73 billion francs (\$1,460,000,000) last February. Yet there are no signs of inflationary developments, as the wholesale as well as the retail price indexes have continued to decline since the beginning of this year.

The average Belgian thus has realized a genuine gain in purchasing power. Unemployment, a persistent problem since the end of the war, which had reached a record high in the earlier part of 1954, has fallen sharply later last year and was down to 167,000 last April.

This spectacular development cannot be credited solely to Belgium's liberal and far-seeing policy of economic cooperation and its devotion to inter-continental trade. Much of the credit for Belgium's success is due to Belgian ownership of the fabulous Congo colony.

The Belgian Congo is one of the world's major suppliers of strategic raw materials, including 60 percent of the world's uranium output. The Belgian Government is making every effort to secure lasting prosperity for its African colony. It is trying to make sure that no slump in world mineral prices will wreck the Congo economy. A \$1 billion development program, financed partly by public and partly by private funds is now under way to develop the many untapped resources of the Congo.

However, expanding the Congo economy as well as keeping up full industrial employment at home, may be a task beyond the means of a nation of only 10 million. The Belgians, in recent years, have increased consumption and achieved higher living standards at the expense of slowing down industrial investment.

Belgium's future depends on its ability to enlist foreign capital in the building up of its enterprises at home and in Africa.

Last year, Belgium borrowed Guilder 100 million (\$26,400,000) in capital-rich Holland. More recently, a Belgian \$30 million bond issue was floated on Wall Street, the first of this kind issued by a European government since the war. Simultaneously a loan of \$20 million was obtained from the World Bank. Most of this money was used for developing transports and waterways, especially the new huge King Baudouin lock at Antwerp.

Yet these sums seem to be still inadequate as compared to Belgium's real capital needs. Its Government, therefore, must be expected to continue to probe the international capital market for additional long-range investment funds.

Mr. ELLENDER. Mr. President, I wish to point out—and my judgment is based on an article which I shall read, from the Christian Science Monitor of June 28, 1955—that the United States arms aid is actually hurting the booming European economies and is creating resentment among our European allies, who desire to do more if the United States will only let them. I read from the article, by Volney D. Hurd, chief of the Paris news bureau of the Christian Science Monitor:

The French have developed jet fighters of first-class design, competitively priced, approved by the United States as meeting top standards of the North Atlantic Treaty Organization, and authorized for mass production. They started negotiations with the Dutch for the sale of planes. With the design and the price right they were about to close the deal when the United States, in a very well meant effort to help small countries with high-priced modern arms, offered the Dutch a 2-for-1 proposition, 1 American fighter free for each 1 the Dutch bought.

Think of that, Mr. President. The Dutch were on the verge of buying military aircraft from a neighboring country. But no; good, big-hearted Uncle Sam came along and said, "Don't you buy. We can give you a better bargain. We will make you a free gift of an airplane."

Things like that have been going on all over the world. Our own representatives abroad have been instrumental, as I shall presently show, in inducing nations to take their share of the money we appropriate, whether they really need it and want it, or not.

I ran across a case in Saudi Arabia. We had many thousands of dollars worth of equipment brought to Saudi Arabia at great expense, in the hope that King Saud would enter into an agreement with us for technical aid. But the King did not enter into the contract, and all the goods and materials we had sent there to build roads, dig wells, and do similar things, had to be removed from Saudi Arabia and shipped elsewhere, because the King would not sign the agreement.

Our representatives abroad have been begging the Syrians to start a point IV and development assistance program, but up to now Syria has refused, and I hope she will continue to refuse. She is in good condition, and she can do much of the work herself. Glory be to Syria.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the article to which I have referred, from the Christian Science Monitor of June 28, 1955.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Boston, Mass., of June 28, 1955]

UNITED STATES PLANE GIVEAWAY PRETS FRENCH

(By Volney D. Hurd)

PARIS.—An American giveaway program of arms threatens to undo some of the benefits Western Europe has derived from the Marshall plan.

The first signs of this new danger to a continued healthy economic expansion in Europe have been spotted in France, in the industry which has proved the most vital in modernizing its designs and production and seeking to be competitive in world markets—aviation.

Two important examples have been cited by Georges Glasser, vice president of the Union Syndical des Industries Aéronautiques and president of the Société Nationale des Constructions Aéronautiques du Sud Ouest.

M. Glasser told this writer: "You can't do anything competitively when you run up against something like that. We completely understand the American offer. It is big and generous like all the things your country has been doing for us over here. And certainly no one can blame the Dutch for accepting the offer. But from the hard, factual basis of trying to get the French aviation industry on its feet, which like the rest of the French economy was primed with Marshall aid, such an unexpected situation is a distinct blow at the initiative, expansion, and momentum which we have so carefully and painfully built up.

"The French aviation industry is full of confidence in itself, given normal competition. But it cannot keep going without orders and it cannot get orders competitively when the competition can suddenly

cut its price in half, even though done for a very high purpose."

GERMAN NEGOTIATIONS

From a European aviation industry point of view, an even more interesting case is that of Germany, M. Glasser pointed out.

The French have been negotiating with the Germans on the sale of fighters for the new German air force. The Germans have accepted, in principle, the quality and price offered by the French, but have then had to add, "There is a good chance that in order to get us on our feet quickly militarily the Americans will give us planes or sell them to us at a low price as they have to the NATO nations. In that case we would be foolish to buy from you and so we can do nothing until we know the final American decision."

The French aviation leader then pointed out in the case of Germany how this possibility of free or low-cost planes has a long-range angle which is equally disturbing to the French plane manufacturers.

First, he said, the European aviation industry would like to be pooled into a community, such as coal and steel, in order to meet modern non-European competition fully, and so, of course, Germany must play a major role as a key production unit in such an ensemble.

The projected German purchases of military planes from the French, continued M. Glasser, would eventually be replaced by German-made fighters under competitive conditions, as the German aviation industry gets on its feet again.

But, added this Frenchman, if American fighters are going to be provided free or on a 2-for-1 giveaway basis, as in the case of the Netherlands, then the German industry itself will have little incentive to invest the great amount of money and time demanded by modern fighter development and manufacture. This would mean an overall weakening of the European aviation industry as an ensemble.

Mr. ELLENDER. Mr. President, for the reason I have mentioned, namely, the vast improvement in the industrial capacity of countries of Western Europe, we should curtail these appropriations, restudy the validity of prior allocations, reevaluate the situation, and try to determine the extent to which the countries we are now trying to help can assist themselves. That is reason No. 2.

As I indicated a moment ago, much of the money which was carried over from last year was obligated at the close of the fiscal year. I should like to refer to the testimony of Mr. Struve Hensel, formerly assistant secretary of defense for International Security Affairs. First, however, let me give the Senate some background information.

There was a certain amount of conflict among Members of the House of Representatives, members of the Armed Services, and others, as to what really happened in respect to a \$420 million reduction which the House imposed on the appropriation for direct military aid. In that connection I wish to point out that Mr. Struve Hensel, who was Assistant Secretary of Defense for International Security Affairs, did not testify before the Senate Appropriations Committee. I wish he had been here to testify, but he was not. I think he was in Europe. I believe that, with Mr. Struve Hensel present, we could have resolved the question as to who was right and who was wrong, as between the House

and officials of the executive departments.

Mr. Struve Hensel said in testimony before the House Appropriations Committee:

There has been no rush to obligate, and as a matter of fact, I have been most reluctant both to spend and to obligate unless we were sure, and I would not want to tackle this \$620 million just to meet an estimate I made and try to obligate some \$500 million in the next 10 days. I just would not want to do it, and if I have to pay the price of losing the money for it, I am prepared to do it as a citizen. I will not rush out and do it.

Mr. Hensel was referring to the issue of his department obligating huge amounts of funds at the close of the fiscal year.

Quoting further from Mr. Hensel:

When we reserve, talking of the military, we have given a definite order to the services. Before we used to give them the money at the same time and it passed out of our control. We have set it aside. It is a definite amount of money, has the same effect as an obligation, and in my mind and the way I was speaking at the time it is an obligation.

Knowing that, knowing that actually we must indicate what the materials were that were to be purchased or with respect to which an obligation was to be made for our allies, he stated, as I have just read, that we must be very careful. He said:

I just would not want to do it, and if I have to pay the price of losing the money for it I am prepared to do it as a citizen.

There was a man who was unwilling to write a letter or attach a little memorandum as to what he proposed to do, unless the need were genuine. As I have previously indicated, much of the money is there, without being obligated; it is there only in the event it is needed.

I wish to discuss for a moment some of the circumstances surrounding an alleged agreement which was made between members of the House Committee on Appropriations, the Defense Department, and the Bureau of the Budget. From reading the evidence submitted by Mr. McNeil, from reading the evidence submitted by Mr. Hensel, and from conversations which I had with members of the executive department, there is no question in my mind that there was some kind of understanding reached between members of the Appropriations Committee of the House, the Bureau of the Budget, and the mutual defense assistance officials.

The evidence shows that the Bureau of the Budget was unwilling to earmark or reserve some \$420 million in previously appropriated funds unless the consent of Mr. JOHN TABER, ranking minority member of the House Appropriations Committee, was obtained. The evidence shows that Mr. Hensel stated—and this is in the record—that he had seen Mr. TABER, and Mr. TABER had said it was all right for the \$420 million now in question to be reserved, that is, allocated for expenditure.

I now wish to read from the hearings held before the Senate Committee on Appropriations on the pending bill, at page 166:

Senator ELLENDER. Now, we come down to what happened here. It is now very plain to me. Here was a memorandum for Con-

gress, involving three Members of the House of Representatives, Representatives PASSMAN, TABER, and WIGGLESWORTH, in respect to the \$732 million composed of these two items: \$420 million and \$312 million. Mr. Hensel suggested, or somebody suggested, that the apportionment be cleared with Mr. TABER.

Mr. McNEIL. The Budget Bureau suggested that Mr. Hensel clear with Mr. TABER before this.

That is, before the money was obligated.

Senator ELLENDER. Now, when you say Mr. Taber said it was all right, that statement is a direct contradiction of the agreement that is now before us.

The agreement that was before us was a memorandum signed by Gen. R. S. Moore, who is Special Assistant to the Comptroller in the Office of the Assistant Secretary of Defense.

The memorandum reads as follows:

This is to make of record Mr. Shaw's and my understanding of the agreement reached yesterday, the 28th of June 1955, by the 3 members present in connection with the apportionment request of the Department of Defense for military assistance funds now pending in the Bureau of the Budget.

In substance the agreement was as follows:

(a) Unapportioned funds now held by the Bureau of the Budget in the amount of \$420 million should not be released by the Bureau for immediate reservation by the Department of Defense to support common-item orders on the military departments to deliver approved program items prior to June 30, 1957, even though this procedure is authorized in accordance with section 110, Public Law 778, 83d Congress.

(b) That no objection would be interposed to the reappropriation by the Bureau of the Budget of approximately \$312 million included in the apportionment request now pending which represents funds which were previously allocated to the military departments for direct obligation against shipbuilding, offshore procurement, facilities assistance, development of advanced weapons, and other similar purposes, of approved programs and which are now to be reserved before the end of the fiscal year for common items required by the program.

It is signed by R. S. Moore, major general, United States Army, retired, special assistant to the Comptroller.

General Moore testified he had been trying, according to his testimony, to effect some kind of compromise as to the allocation for expenditure of previously appropriated funds, and that he brought to the attention of the Defense Department the objections raised by Mr. TABER, Mr. WIGGLESWORTH, and Mr. PASSMAN, all of whom are members of the House Committee on Appropriations. It is my belief General Moore acted more or less as a middleman between the Defense Department and these representatives.

Soon after the bill was reported by the Senate Committee on Appropriations, and after Mr. TABER and Mr. PASSMAN had read the testimony which was elicited from Mr. McNeil and from others on the subject, I spoke over the telephone with Mr. PASSMAN and Mr. TABER. Both stated that there was an agreement between themselves and the Defense Department. Whether or not that agreement was legal is immaterial. Every Senator knows that any language that a committee of Congress puts in its report, suggesting that certain things be done with certain ap-

propriations, is generally respected by the Department affected.

In reading the testimony, it will be found that the Bureau of the Budget was requiring the Defense Department to get the consent of Mr. TABER before it would obligate the \$420 million. In my humble judgment, there was no question but that if Mr. TABER had said, "I do not want to obligate it," the funds would not have been obligated. That is my judgment.

I asked Mr. TABER about it. I asked him whether he was consulted. I asked him what the true story was.

I said, "Mr. Hensel said he saw you, and that you told him it was all right to obligate the \$420 million. He said he saw others, and he was told it was all right."

I have before me a letter which I received from Mr. TABER. It is dated July 20, 1955. It reads:

DEAR SENATOR ELLENDER: I was advised by you this morning that Mr. Hensel and Assistant Secretary McNeil, of the Defense Department, had stated that I had agreed to the \$420 million release of the 30th of June in connection with the Foreign Operations Administration.

The fact of the matter is I never talked to either Mr. Hensel or Assistant Secretary McNeil on the subject.

The evidence is replete with Department of Defense officials' testimony that Mr. Hensel had a talk with Mr. TABER, who said it was all right, and that is why the \$420 million was obligated.

I continue to read from Mr. TABER's letter:

I was called on the afternoon of the 30th while I was on a conference on the State-Justice appropriation bill by Mr. Brundage, of the Bureau of the Budget, and was told that they were planning to release the \$420 million for immediate obligation. I advised him that I could not agree to that release and that he should immediately call Congressman PASSMAN, who was the chairman of the subcommittee in charge of foreign aid appropriations, and that I had no right to go over his head, and that I would not if I could.

Very sincerely yours,

JOHN TABER.

I should like to read now a brief excerpt from the House report:

The reduction of \$420 million is recommended by the committee—

I ask Senators to listen to this—

on the basis of a written understanding between responsible officials of the Defense Department and the committee that of the estimated unobligated balances of June 30, of \$932 million, the amount of \$420 million should not be released by the Bureau of the Budget for immediate reservation by the Department of Defense.

Mr. President, if one reads the evidence to which I have referred he will find it amounts to an indictment of every member of the Appropriations Committee of the House. The House committee's position—that is, that it was all right to obligate \$312 million of the \$732 million, but not to reserve the remaining \$420 million—was ignored. That is the reason why the House proceeded to cut the \$1,125,000,000 by \$420 million. And that is what I am suggesting that the Senate do.

Mr. President, it strikes me that it smacks of bad faith on the part of the

executive department, that is, the Bureau of the Budget and the Defense Department to ignore the House Appropriations Committee. If one reads the record we will see that General Moore was more or less a middleman between the House Appropriations Committee and the Defense Department. The letter which I have just read gives someone the lie.

But so much for that, Mr. President. I repeat that before we increase the appropriations to the amount suggested by the Senate Committee on Appropriations, the whole program should be re-evaluated.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. I am sure my colleague agrees with me that there is no great emergency involved in giving away all these millions of dollars. We could give them away next year or the year after that.

Mr. ELLENDER. The Senator is correct. Even in case of a bona fide emergency, provided a good case could be made, we could appropriate funds overnight, as we have always done when the national security is concerned.

Mr. LONG. We have been giving away slightly less than \$5 billion a year. If we have overlooked any possibility where we could give money to someone, certainly we could correct the oversight starting in January. But here is the Department of Defense trying to give money away in the last 5 hours at the rate of \$500 million an hour. There was some question about whether the money should be disposed of in this fashion, and there was objection on the part of the House Appropriations Committee.

Apparently there was a meeting of certain officials of the Department of Defense with House Members who had been studying the manner in which the money had been disposed of. An agreement was arrived at that it would be all right so far as the \$312 million was concerned, provided that \$420 million would not be committed. I have been told by some House Members that this was an agreement so that the Defense Department would not insist upon giving away the other \$420 million. A letter was written signed by General Moore, stating that this was the agreement, but subsequently to the drafting by General Moore, the counsel insisted on inserting certain words which would make it appear that this was not an agreement between the House committee members and the Defense Department officials but it was, instead, only an agreement of three House Members. I understand General Moore has testified under oath that the words "by the three members present" were inserted by the counsel and not by General Moore at all. He said:

This is to make of record Mr. Shaw's and my understanding of the agreement reached yesterday, the 28th of June 1955, by the three Members present in connection with the apportionment request of the Department of Defense for military assistance funds now pending in the Bureau of the Budget.

He goes on to state that, in substance, the agreement was that unappropriated funds now held by the Bureau of the Budget in the amount of \$420 million should not be released by the Bureau for immediate reservation by the Department of Defense.

Mr. ELLENDER. As I pointed out to the Senate committee, the letter to which my colleague refers would indicate an agreement between three Members of the House and the Defense Department. Let me ask my colleague: Would it not have been silly to get General Moore to reduce to writing an agreement between the three Representatives only?

Mr. LONG. The Senator is correct.

Obviously, the only purpose of General Moore in writing the letter was to show what the agreement was. Otherwise, why would a letter have been written saying, "I met with you three fellows, but my understanding was you agreed to do something else."

Mr. ELLENDER. I have known Mr. JOHN TABER for some time, and I have faith in him. He is a fine American. After he read the testimony before the Senate committee, he was exasperated to learn that the Defense officials had said that he had approved the reservation of this \$420 million.

There is no question in my mind that there was some kind of an understanding between the House committee and the Defense Department. I am not contending the agreement was legal, but it often happens that a committee places in its report, particularly where appropriations are concerned, certain language to indicate an understanding of how the money should be spent and what should be done with it. That language is usually respected. It is my considered judgment that Mr. TABER never consented to the obligation of the \$420 million. I believe the Senate should stand behind the reputation of the House and vote down any increase in these funds.

Mr. President, we are pulling the whole load not only in our own country, but we are spending every dollar needed in order to build our own defenses at home. We buy a great amount of material from all over the world, from the friends we are helping, in order to build up our own Military Establishment. In addition to that, we are paying 90 percent of the cost of Korean reconstruction. As I pointed out sometime ago on the floor of the Senate, when the Korean war started we carried the load for the entire length of the war, or the police action, as some would call it. We paid 90 or 95 percent of the entire cost of the war, and furnished approximately 95 percent of the U. N. troops that fought in the war.

I read from page 78 of the hearings on the mutual security appropriation bill:

Senator ELLENDER. We are really carrying the load.

Mr. STASSEN. We carry about 90 percent of it.

Senator ELLENDER. The rest of it is carried by a little contribution they get from the United Nations?

Mr. STASSEN. From Canada and the United Kingdom.

Senator ELLENDER. But through the United Nations; is it not?

Mr. STASSEN. Through the United Nations; yes, sir.

Senator ELLENDER. And we contribute most of that through the United Nations?

Mr. STASSEN. That is right.

So, in addition to carrying the load ourselves, as I have just said, we are the greatest contributor to that part which is contributed by the United Nations. I continue to read:

Senator ELLENDER. So that our contribution is about 90 percent direct, and I would say half of the 10 percent indirectly, so that we end up by furnishing about 95 percent of the load in Korea; is that about right?

Mr. STASSEN. Putting it all together, it would be about 90 percent, taking everything into consideration.

Consider the difficulties which are now troubling southeast Asia and Formosa. Who is taking the lead in the defense of that region? We are putting up 100 percent of the cost in that area. Where are the British? Where are the French? Where are the New Zealanders? Where are the Australians? The United States is the one country which is putting up the entire amount—100 percent of it.

We are carrying the entire load in Indochina, both militarily and economically. The record so shows. No one else is assisting the countries in that area of the world. The United States is carrying the entire burden. Notwithstanding the fact that the countries of Western Europe are as vitally interested in that area as we are, or they should be, they are not furnishing a dime. Oh, perhaps a small amount is being furnished by France in Vietnam, to protect her interests there. That may be. But the United States is taking the lead in carrying the burden in that entire area.

If this program is permitted to continue unabated, our debt will be so burdensome that we will end by losing our way of life without a shot being fired. It will not be necessary to have a war to destroy our economy. Simply let our initiative be destroyed, and then see what will happen.

Consider the NATO organization in Europe. The United States pays 22½ percent of NATO administrative costs. Remember, NATO is an organization which is composed of the United States and 13 or 14 countries of Western Europe. Yet the United States is paying 22½ percent of the administrative costs and 45 percent of the cost of building air bases for NATO in that area.

Since NATO agreements are involved, the countries which are members of NATO should carry all the burden. But the United States is now paying 45 percent of the cost of the air bases in that area, plus 22½ percent of the NATO administrative costs.

Notwithstanding the present prosperity of Europe, the United States is paying almost one-half of the capital investment in housing for civil administrators of NATO. The exact amount is between 40 and 50 percent.

I desire to read a statement by Mr. Norman Paul, the Deputy Director of the

International Cooperative Administration, formerly FOA, which appears on page 225 of the Senate hearings on the bill:

Of the total NATO civilian expenditure, we pay 22.5 percent of the operating costs and 45 percent of the capital expenditures. The United States, United Kingdom, and France pay equal shares of the regular operating costs.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. My colleague is making a magnificent address on the subject. I believe he is proving his case. However, I fear that the result of the great fight being made by my friend will be the same as when the authorization bill was under consideration.

Mr. ELLENDER. I would not say that. I am hopeful of getting more votes than were obtained the last time. In fact, I am in hope of prevailing by a big vote, although there are many empty chairs in the Chamber at the moment.

Mr. LONG. If my colleague fails despite the magnificent address he is making, it will perhaps be because not more than 20 Senators have been listening since he began to make his speech. At present I observe he has only 12 listeners.

Mr. ELLENDER. In addition to what I have said in regard to supplying our NATO friends with about 26 percent of the hardware necessary to equip their armies, the United States is building plants to produce ammunition and spare parts for equipment which we have already supplied to NATO nations, and which the military aid officials plan to supply in the future. All of this is being done notwithstanding the prosperity which, as I have said, now prevails in Western Europe.

I now wish to read from pages 206 and 207 of the Senate hearings a description of the so-called facilities assistance program:

The facilities-assistance program provides United States financing on a joint venture basis with foreign governments. The foreign government agrees to furnish all land, structures, services, and some equipment and materials, and the United States agrees to contribute a portion of the needed equipment and material. The productive facilities thus established must constitute a net addition to the total capacity, existing or programed in the foreign country in question. That foreign country must commit itself to maintain the aggregate productive capacity thus established. In past negotiations, it has worked out that the financial contributions of the United States and the other foreign nations to these joint ventures have been approximately equal.

When this program was started in fiscal year 1954, its major attention was turned toward bringing the European capacity for propellants and explosives into balance with the existing capacity for metal components. At that time, capacity for these chemical components was less than the metal component capacity, this serious shortage being due to wartime destruction and postwar dismantlement. In the fiscal year 1954 and 1955 programs, a high priority has been given to increasing capacity for production of propellants and explosives. A rough balance has been achieved between the capacity for the metalworking components of ammunition and the capacity for propellants and explosives. Our engineers in the field report

that some problems remain. They have estimated that an additional \$20 to \$30 million in United States investment, plus an equal European investment, will be needed to complete the task that has been set. When completed, a practical limit will have been reached in the expansion of European ammunition production capacity. Recent information is inadequate to appraise the desirability of assisting Germany to reconstitute its ammunition industries.

With respect to the establishment of military equipment maintenance shops it will be noted that the surface has merely been scratched, three projects being undertaken this fiscal year at an estimated United States cost of \$1 million. The burden of maintaining MDAP equipment will increase as the equipment ages and it is probable that such burden will reach a maximum in 3 or 4 years. The contribution which could thus be made by a relatively small facilities assistance expenditure is extremely large. Already projects are under study for maintenance capacity which indicate that \$12 million of United States contribution might well be devoted to this type of project in fiscal year 1956, without considering any facilities for such purposes in the Far East.

Mr. President, on every occasion when I have had the opportunity, I have tried to elicit from members of the executive department, at the Washington level and abroad, what effort was being made to get countries in Europe and elsewhere whom we have helped to carry a part of this burden. I was told that some effort was being made, but with no success; there were no contributions.

It strikes me—and I repeat—that we should by all means curtail the appropriation and reevaluate the entire program, in the hope that we may thereby persuade our allies to assist us, particularly in southeast Asia, where we are just starting out.

It will be remembered that when the war in Vietnam—Indochina—was going on, we, the United States, paid 80 percent of the cost of that war. There are other instances of what we are doing for others that they should do themselves.

Here is a small item I should like to bring to the attention of the Senate to show the extent to which our planners are spending our money abroad. Let us consider, for instance, the mutual weapons development program. I do not deny that is a good program. We have a similar program in this country; we carry it on ourselves. As a matter of fact, the armed services spend for research each year, as I remember the figures, in excess of \$2 billion. Yet our friends across the seas carry on some research, and we are asked to contribute there also.

Through June 30 last, approximately \$41 million has been obligated for the mutual weapons development program. The estimate for the amount we are to contribute in 1956 is \$50 million. Is this a mutual security program, when we furnish practically everything? I see nothing mutual in that. There ought to be at least a free exchange of methods of manufacturing implements of war and of improving them between ourselves and our allies, but it seems that if we are to get any information from our allies, we have to make contributions. Whether we are being forced to do this, I do not know. I presume that our representa-

tives simply go to those countries and take the position that "Uncle Sam can well afford to help you out in this field, so here is \$50 million."

Mr. President, as I said before, I have traveled all over the world, and I have found that in many cases foreign governments are being urged by our own representatives to take on programs which they do not really want. They are told by our officials: "The money is there. Come get your share." That is the basis on which much of the money is being spent.

Mr. President, let us stop and think. Hundreds of millions of dollars we are now spending—aside from all I have just referred to—are being devoted to building a network of air bases around the world. Are we receiving any help in establishing the tremendously large bases built in North Africa? No. We are building all those air bases on our own. We put up every dime of the money necessary to build them. The bases are being built not only for our protection, but for the protection of the whole free world, and it strikes me that those nearest the place where a conflict may develop, the people who are most vitally interested in maintaining a free world, should at least be willing to pay their share of this program. They do not, of course. They do not even pay for their own homeland defenses, in many cases. Uncle Sam must do it all.

I have in my hand a memorandum concerning construction by the Department of the Air Force which reads in part:

The Department of the Air Force plans to spend a grand total of \$929,100,000 on air-base construction during fiscal 1956. Of this amount \$453,200,000 will be spent on overseas bases. At the present time, out of a total of 346 Air Force bases, 186 are overseas. These include Strategic Air Command bases in the Far East, United Kingdom, Morocco, and Spain, and tactical support bases designed to support the NATO forces in Germany, England, and France.

Mr. President, before I ask to put in the RECORD the remainder of the statement, I should like to read one more paragraph from this memorandum which deals with a reference in the hearings held before the Senate Appropriations Committee on the supplemental appropriation bill:

Statement on page 165 by Lyle S. Garlock, Assistant Secretary of the Air Force for Financial Management, in answer to a question by Senator ELLENDER. Senator ELLENDER asked Mr. Garlock whether it was not true that the United States did not ask assistance from its allies in Europe in defending the free world. Mr. Garlock replied: "I would not want the record to show that we have made no effort. The record will show that we didn't get any."

Mr. President, the air bases are being built on the soil of our allies as much for their protection as ours, but they are being built entirely at our expense. All of that is in addition to the money we are spending in order to have our allies meet their NATO obligations—to provide their own hardware. This support we give them amounts to from 22 to 28 percent of the total cost of equipping and maintaining their NATO troops.

Mr. President, I ask unanimous consent that the memorandum which I read in part be printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMO RE UNITED STATES AIRBASES ABROAD

The Department of the Air Force plans to spend a grand total of \$929,100,000 on airbase construction during fiscal 1956. Of this amount \$453,200,000 will be spent on overseas bases. At the present time, out of a total of 346 Air Force bases, 186 are overseas. These include Strategic Air Command bases in the Far East, United Kingdom, Morocco, and Spain, and tactical support bases designed to support the NATO forces in Germany, England, and France. The following portions of hearings on the 1956 supplemental appropriations bill will be of interest in this connection:

1. Chart 2, page 206, indicates a proposed expenditure of \$222,962,000 for Air Force bases in Europe. This expenditure represents 15.5 percent of the total worldwide programs projected for the Air Force during the 1956 fiscal year.

2. Page 201, statement by Senator STENNIS as to delays and oppositions by European countries in the construction of airbases.

3. Statement on page 165 by Lyle S. Garlock, Assistant Secretary of the Air Force for Financial Management, in answer to a question by Senator ELLENDER. Senator ELLENDER asked Mr. Garlock whether it was not true that the United States did not ask assistance from its allies in Europe in defending the free world. Mr. Garlock replied: "I would not want the record to show that we have made no effort. The record will show we didn't get it." Mr. John M. Ferry, Special Assistant for Installations, Office of the Secretary of the Air Force, stated in answer to a question from Senator ELLENDER on whether the United States was obtaining assistance from the French or British in constructing the bases in north Africa: "I think I would have to answer, sir, 'None.'"

4. The record is replete with reference to the fact that many countries restrict the use of counterpart funds in building American bases and housing for American troops abroad. Mr. John M. Ferry stated that the British have not permitted the United States to use any of the counterpart funds on deposit to our credit for housing.

5. In construction of bases in Britain and France, only British and French contractors are used. This of course means an additional flow of American dollars into the economy of these two countries.

(Source: Hearings on supplemental appropriation bill, 1956, pp. 153-232.)

Mr. ELLENDER. Mr. President, that about sums up the reasons why I think the House figure should be adopted. Our allies are well off. They are able to contribute. Let us have a reevaluation of all the projects and all the programs in effect, in the hope that we can make this a real mutual-security program, instead of having it a one-sided program—a program financed by the United States. If this is to be a true cooperative program, let us begin to make it so. The time has come to draw the line. Let us do it now.

Mr. DIRKSEN obtained the floor.

Mr. KENNEDY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum, with the understanding that the Senator from Illinois will not thereby lose the floor?

Mr. DIRKSEN. I yield for that purpose.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Monroney
Allott	George	Morse
Anderson	Goldwater	Mundt
Barkley	Gore	Murray
Barrett	Green	Neely
Beall	Hayden	Neuberger
Bender	Hennings	O'Mahoney
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Holland	Potter
Bridges	Hruska	Purtell
Bush	Humphrey	Robertson
Butler	Ives	Russell
Byrd	Jenner	Saltonstall
Capehart	Johnston, S. C.	Schoeppel
Carlson	Kefauver	Scott
Case, N. J.	Kennedy	Smathers
Case, S. Dak.	Kerr	Smith, Maine
Chavez	Kilgore	Smith, N. J.
Clements	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Daniel	Lehman	Thurmond
Dirksen	Long	Thye
Douglas	Mansfield	Watkins
Duff	Martin, Iowa	Welker
Dworshak	Martin, Pa.	Wiley
Eastland	McCarthy	Williams
Ellender	McClellan	Young
Ervin	McNamara	
Fear	Millikin	

Mr. CLEMENTS. I announce that the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). A quorum is present.

The question is on agreeing to the committee amendment on page 2, line 7.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, first let me refresh the recollection of Senators. There is pending at the present time a committee amendment to restore \$420 million to the pending bill, which would erase the cut made by the House of Representatives. That is the pending question, and I assume that the vote on that amendment will be taken in a little while.

I listened with interest to the very distinguished Senator from Virginia [Mr. BYRD], to the colloquy between the distinguished Senators from Louisiana [Mr. ELLENDER and Mr. LONG], and to the very able presentation made by my distinguished and hard-working colleague on the Senate Appropriations Committee [Mr. HAYDEN]. I do him the honor of saying that he is one of the hardest working, most diligent Members of the Senate. I regret, of course, that the entire story has not been told as a predicate for the conclusion which I hope the Senate will reach.

I earnestly hope that the committee position will be sustained, and that the reduction will be restored.

I should say at the outset that the \$420 million cut imposed by the House, which the Senate committee would restore, goes to the military aspects of the bill. We ought to keep that in mind.

Let me allude, first of all, for a moment or two, to the fiscal situation which is before the Senate. When the authorization bill was considered by the Senate and the House, the administration asked for \$1,400,000,000 for the military purposes of the bill. After the military services had examined their records—and there were monumental records to explore—they discovered that the amount requested could be reduced somewhat, so the final request which came to both the Senate and House was for \$1,125,000. Certainly that evidences the good faith of the administration. If it had wanted to do so, it could probably have asked for \$1,400,000,000 and secured some defenders for it, but the administration felt that in the fiscal year 1956 it could get along with \$1,125,000,000 in the military account. That is the question which was submitted to both the House and the Senate. The amount was reduced on the House side, and, as I have indicated, the Senate committee restored the cut. The bill was reported from the Senate committee by a vote of 17 to 3. So it might be appropriate first to examine some of the discussion which has taken place this afternoon.

It would be easy for me to vote for this reduction. It would be expedient for me to do so. It would be politically astute for me to do so. I live in the Middle West, and I read the editorials in the newspapers. I read a well-written editorial in one of the Chicago newspapers. If I were timid, I might follow that line and vote for the cut. But I shall not do so, because I think there are overriding considerations which the Senate must keep in mind.

With respect, first of all, to the observations made by the very distinguished Senator from Virginia [Mr. BYRD], I must say that I am as sensitive to the question of debt as is anyone else. I had a rather frugal rearing. I say this not immodestly, but I remember when the breadwinner in our family died. I was only 5 years old. My mother used to say to me, "My son, you have been very decorous; you have been very good this week. Here is a penny to spend. Don't spend it all in one place."

When one has had a frugal rearing like that, he becomes fully sensitive of the value of a dollar, and also the burden of debt on this country at the present time.

But that does not tell the entire story. Let us see what is involved on the military side. The entire amount which has been requested since 1949 for the military account in connection with mutual security is between \$19 billion and \$20 billion. Up to the 31st of January of this year, \$11 billion of that amount has been expended for military purposes.

Let us take a look at some comparative figures. Let us keep in mind that we have spent \$11 billion on mutual security for the military account, since this program started.

We spent \$18 billion in Korea, and that does not include the holy blood of

young men who never came back. We spent \$18 billion on a 2-year war in Korea. Thus far we have spent \$11 billion under this program.

When we talk about the national debt, let us bear in mind, also, that the country has been at peace. That is a great consideration, when we stop to consider that the gross national production, as reported yesterday, is probably in the neighborhood of \$375 billion. We have spent \$11 billion under this program since it started. Keep in mind the \$18 billion for Korea. That shows how quickly conflict can dissipate the dollars of this country.

When we speak of the debt, I remind Senators that in the past 5½ years we have spent \$170 billion upon the Armed Forces of our country. We spent \$170 billion for the Army, the Navy, and the Air Corps in 5½ years. Thus far we have spent \$11 billion under the mutual security program. That has been a pretty good investment.

The other day the Senate passed a Reserve bill. That will cost an estimated \$3 billion a year, in addition to the other expenditures we must make. Eleven billion dollars is what we have spent on the program. During World War II we spent an average of \$7 billion a month—a month, Mr. President. The appropriation requested in the bill before the Senate today, which has the sanction of the majority of the members of the Appropriations Committee, on the basis of World War II level would not last even 5 days. That is not so excessive, is it?

There is tranquility in our country. There is peace in the land. American GI's are not forfeiting their lives on some far off muddy battlefield. I think that is a pretty fine reflection.

Therefore, when we speak about the national debt—and I cringe a little whenever I hear the figures—and when we speak about our overall budget—and I cringe a little when I hear that figure, too—when we consider the tangibles and the intangibles, and when we consider the benefits this country has enjoyed since war took a holiday, \$11 billion expended thus far is not so excessive after all.

Yet we do live in peace for the moment.

Therefore I remind Senators, when they hear the figure of the public debt, and when they hear how much has been expended abroad, that they keep in mind what has come to us.

I believe the term "foreign aid" is a very unhappy one. It implies and connotes a giveaway or welfare program. I remind Senators today that this is the most selfish program I know of. We are not undertaking it out of the charity of our hearts for other people 10,000 miles distant. We are doing it for our own skins.

Let us be realistic about it. The only justification for the program is that it is a projection and extension of the security of this country. We have only one interest, and that is to keep the enemy war machines away, so that destruction shall not be our lot.

My distinguished friend, the acting majority leader, and I took a little trip

not so long ago. During the latter part of that trip I surveyed over again the war damage in Europe.

I saw it at its worst when, as chairman of a committee, I took 20 Members of the House to Vienna and Frankfurt and Stuttgart and Berlin, and to other cities. I saw the raw, naked devastation in all its hideous brutality. That is what we are trying to keep away from our country.

Mr. President, we could not forfeit one good American city for what is involved here, when we measure the devastation to morale and the destruction of tangible values.

Therefore, when we stop to consider this matter for a moment, we must remember that what we are doing is intensely selfish. It is not a giveaway program. It is not a contribution for the welfare of any people. It is not charity. We are doing it for the greatest, most blessed, most prosperous country on God's footstool. That is the justification for this program.

I look at all of it realistically. I remember the day when I used to attack this program. I did it with a great deal of verve and vigor. I take it back. Publicly and privately, I take it back.

When I do, I confess there is a great deal of waste in the program, as there is in everything else which involves so many people. How are we going to assemble a big force all over the world, to administer a program involving billions of dollars, and escape waste? It cannot be done. In the very nature of human kind, it cannot be done. Notwithstanding the waste that may be involved, this has been a good program.

When we look at it in perspective, what is it all about? First, to enable us to do our part. I say that, because, argue as we may, we are a part of a collective system in the world. Therefore, we must do our full share.

Secondly, we expect our allies and the others who are identified with the free world to do their share. We hope they will. They have been doing their share.

Notwithstanding the figures we heard this afternoon, the whole NATO contribution in 1949 was only \$5 billion. The contribution last year was \$43 billion. They have been trying to do their share. This is not a one-way street.

If the United States were to try to do this on its own, we would have to put a great many more divisions in the field and buy much more equipment, and the effort could bankrupt our country. We get a pretty good deal as we go along. Therefore, we must do our share, and we expect others to do their share. We want to help them, if we can.

Thirdly, we must shore up their economies a little bit. We must teach them a little more know-how, although I am frank to say they are doing pretty well in that field.

Finally, of course, there must be some development aid. That is the whole program which is envisioned in the bill now before the Senate.

In the course of the discussion it was said that we must stop the economic aid, because prosperity abounds in the world. What is the fact? Here are the figures.

How much economic aid for Europe is provided for in the bill? It is \$70 million. That is all. There has been a great deal of argument today which has departed from the fact. Sometimes I wonder whether there is not an allergy toward getting the whole story. \$70 million is what is recommended for economic aid for Europe. We have come down progressively on this part of the program. What countries are involved? There are only 2, Spain and Yugoslavia. What kind of aid is involved? Agricultural surpluses. That is what those countries get. Then that aid is converted into local currencies or counterpart funds to help bring the expenditure down.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I would rather not yield for a while, until I have continued a little further with my statement.

When we look at Europe, we find that there has been a small addition to the appropriation made by the committee. The addition is approximately \$22,200,000. The committee did that. It wanted to do something for Spain. They increase the amount for Spain, but it is on a commodity basis.

We have been insisting that we do something to get our surpluses into the world channels of commerce. That is what we are doing in Europe today.

The only other additions are for technical exchange, and the \$21 million for the joint control in Berlin. The latter is the item I discussed at great length with Ambassador Conant in Berlin a few days ago. I think in the main our Government made a pretty good record over there.

Therefore, when we talk about defense support, it must be remembered that the figure is coming down.

However, I must admonish Senators that there is a critical and sensitive area in the world, namely, the East, where the the Senator from Kentucky [Mr. CLEMENTS] and I visited. The Senator from Kentucky went to Japan and Korea, and we met in Formosa. Then we went to Vietnam, Cambodia, and Thailand. We took a look, and we saw what was there. Vietnam is a small country which has just gained its independence. It was formerly a part of the Associated States, commonly referred to as Indochina. It has a population of 11 million. At Geneva, although we did not sign the treaty, we were parties to a deal by which a line was drawn at the 17th parallel, as a result of which the land above that line is Red, and below it is Vietnam.

Those people are trying to hold freedom's line. They do not have much to work with. They have been under the tutelage of a European country for nearly 90 years. Mr. President, imagine a country which sets up a central bank of issue and does not have even one person who has had even the experience of a cashier in a country bank. Consider the load which is upon them. So they had to send to the Federal Reserve bank in New York to get a man to teach them how to set up a bank and get things going. That is a difficult assignment for a small country with 11 million people

who were never taught anything about the administration of government.

Shall we forsake them? Shall we abandon them, or shall we stand by until the job is done?

The great George Bernard Shaw said that fear is the one universal pattern. From the baby in the cradle until the oldest living person feels the shadow of eternity fall across his course he is torn with fears all his life. The overriding fear of those people is that we will forsake them now. We do not dare to send that kind of message to the world. If we do, let us forget the whole business once and for all, and say we will set up a citadel in this hemisphere.

Money must be provided for the support of defense in Asia. We are getting out of the woods in Europe. In another year there may not be a dollar needed there. But it will not be that easy so far as Asia is concerned.

There is a great arc on which the first country is Burma. I sat with the Burmese Foreign Minister for over an hour in Rangoon not over 5 weeks ago to hear him tell me what he could not put down on a piece of paper.

Who developed the resources around Mandalay? Back in 1903 a man by the name of Herbert Hoover, a young engineer, started the oil wells, the zinc concentrate mines, and the silver mines around Mandalay. They are not operating today. Why? Because insurgents and brigands are operating there. One can hardly go 20 miles from Rangoon without running the danger of being shot.

Shall we forsake them?

In the House hearings, someone said all the nations should be like Burma, because Burma did not take our aid. They are afraid to take it. That is the answer. They have a thousand miles of common border with Red China. Do not forget that. We must find some way to help them without letting it be too obvious or too transparent.

Next to Burma is Thailand, an aggressive country containing 19 million people. There are more than 3 million Chinese in Thailand.

I suppose we should forsake the bastions in the Pacific. What would happen? There would be a great new orientation to Peiping, and then our work would really be cut out for us in Asia. I am in favor of standing firm and not retreating a foot. There are small countries that need help, such as the little country of Cambodia, with 4 million people, or the little country of Laos, where they are fighting this afternoon. The fighting is right on the Red Chinese line. These nations are underdeveloped. I will not say they are undeveloped. They are a part of the free arc of Asia. Shall we abandon them? Shall we forsake them? That would be the most colossal blunder we could ever commit. We are trying to help in connection with our surplus commodities. When we talk about economy, we should see where the money goes and see what good is accomplished. That is the only way to get the whole story.

Mr. President, I must take the time of the Senate to discuss the question of

unexpected balances. It is a very tricky question. I wish to tell the Senate the whole story, because we took day after day and night after night to work it out a little at a time.

What the Senator from Louisiana said is correct. With reference to military balances, in round figures, there are \$6,400,000,000 unexpended — obligated but not expended.

With references to economic balances, there are \$2 billion unexpended or unobligated.

I know how easy it is to say, "They have \$8½ billion piled up on the shelf. They have not spent it. Why give them any more?"

Let us take a look.

Mr. President, we bought some mine-sweepers for a definitive job. It was 3 years after they were bought before they were paid for.

We bought heavy equipment, some of which was purchased 4 years ago on which we are now dispersing money. There is a long lead time. Had this program started differently, this would not be necessary. By "differently" I mean that ever since I served on a House Appropriations Committee many years ago we have written into appropriation bills the amount of money needed for a year and at the same time provided contract authority. If we undertake to build a battleship, it takes 5 years to complete it. The first year we give the department \$3 million for the planning, but we give them contract authority to go ahead. The next year they may ask for \$15 million, and the next year for \$40 million. But the authority was granted, and the job has to be done.

This program started out differently. The money was provided for contract authority. I know the Defense Department would rather have it any other way than to have all this controversy, because if they had the money in the first instance all this difficulty never would have occurred.

So, Mr. President, when we think of the long lead time, the time that elapses when a piece of equipment goes on the drawing board until it finally gets into the hands of the pilot or a soldier, somewhere in the distance, a long, long time goes by. But from the day the commitment is made the department has to be sure that the money will be there when needed.

I would refresh the recollection of my distinguished friend from Kentucky [Mr. CLEMENTS]. We had a very fine luncheon with the Prime Minister of the new found country of Vietnam. My colleague will bear me out when I say that almost the first thing we were asked was, "What will happen on the 30th of June when your fiscal year ends in Washington? Will the moneys be forfeited?"

They know what goes on, Mr. President. Can we get them to commit unless the money is there? If we start to take the money away, how can we get them to commit their forces and undertake cooperation for the security of the free world? They will not do it.

That is the reason why the money is on the shelf.

Since 1953 appropriations for foreign aid have been going down. The yearly expenditures have been going down, and real progress has been made. But the money is there and it must be there if this program is to proceed in smooth and coordinated fashion in the interest of our security, and, more importantly, perhaps, in the interest of the security of other places in the world.

Mr. President, what about the \$1,125,000,000 which was cut by the House by \$420 million? What is it for? The sum of \$500 million is to protect our investments abroad. Think of the planes, the tanks, and the weapons we have abroad. The obtaining of spare parts is one of the greatest responsibilities, and great efforts constantly have to be made to go forward. So here is \$500 million to protect an investment, as it is called. It includes, also, the training of soldiers elsewhere. Let me digress to allude to that for a moment.

I saw the stories in the syndicated columns, long before I reached Formosa, that the Nationalist Chinese had an antiquated, overage army. I leave it to my friend, the distinguished acting majority leader, to say what we saw. The overage men have been culled out of that army. That is one of the most rugged armies one will ever see in his lifetime. What a great field demonstration we saw. It was marvelous, as a matter of fact.

By this method we are getting 5 divisions for 1; or 6 for 1, as we are getting them in Korea. Is it not a good deal under this program when we get 6 foreign divisions in the field for 1 division of American boys, properly weaponed? If that is not a good deal in terms of dollars and cents, I have never seen one.

Today, what have we? We have a whole host of divisions in Korea. They are great fighting men. I saw them 2 years ago; the Senator from Kentucky [Mr. CLEMENTS] saw them within the last 4 or 5 weeks.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CLEMENTS. I know it is not necessary to confirm what my friend from Illinois has said about the observations which we made there, but I am pleased to confirm them.

I wish to ask the Senator a question relative to the Taiwanese being inducted into the Chinese Nationalist Army. Is it not a fact that the approximately 60,000 or 70,000 who were looked upon as ineffectives in the Chinese Nationalist Army have now been replaced with young Taiwanese enlistees or inductees?

Mr. DIRKSEN. Oh, definitely so.

Mr. CLEMENTS. Is it not true that the average age of the members of the present Chinese Nationalist Army is approximately 25 years?

Mr. DIRKSEN. Yes; and we might implement that fact by stating for the record that General Smyth and General Chase, and other military leaders there are authority for that statement, and helped to do the culling job.

Mr. CLEMENTS. Is it not a fact that our own military authorities in that field, together with the Nationalist Chinese, are the authorities we would use for the

statement that the average age of the members of the Chinese Nationalist Army today is approximately 25 years?

Mr. DIRKSEN. That is correct.

Mr. CLEMENTS. Is not that army one of the younger armies on the face of the globe?

Mr. DIRKSEN. I would think so.

Mr. CLEMENTS. Is it not true that the Koreans not only have a very tough, rugged army of comparable size, which their country and the United States should support at present, but also have not the Koreans developed a very sound, reserve principle of replacement?

Mr. DIRKSEN. Indeed, so, and I am glad they have, because it simply makes unnecessary in that part of the world additional soldiers from the United States.

Mr. CLEMENTS. Is not that one of the real needs of the Chinese Nationalist Army today—namely, that the same steps be taken in Formosa which have been taken in Korea to develop reserve forces which could be moved in when needed, and still not require the same expense as the regular forces require?

Mr. DIRKSEN. I am glad the acting majority leader has raised that point, because last year I explored that question with General Van Fleet, who was the President's personal emissary to Asia. This year we explored the matter with Admiral Radford. I thought perhaps it was one of those things to which we could not allude, because it might be classified; but on page 136 of the record Senators will find in Admiral Radford's testimony that the matter of reserve divisions in Taiwan or Formosa has been very much in their minds for quite some time, and it is receiving consideration. If I may express a personal hope, I trust we can provide money in the bill to make it possible to proceed with that reserve training program, because it simply will add to our strength in the Pacific, and will enlarge the line of prompt duty.

Mr. CLEMENTS. Would my friend from Illinois say that with the support by the Senate of the committee's restoration of funds there is a greater opportunity for the military authorities to assist in starting the reserve divisions on their way?

Mr. DIRKSEN. I concur in that statement entirely. I trust that our military leaders also see the situation in that light, because it will simply strengthen the Pacific bastion.

Mr. CLEMENTS. Not only will new money be required to do that, but will not new money also be required to provide the equipment which it will be necessary for those divisions to use?

Mr. DIRKSEN. Quite so.

Mr. CLEMENTS. Would not my friend from Illinois agree also that the development of the army in Vietnam has followed about the same procedure as was followed in Korea? It took time to train the Koreans, who had never had any military experience or experience with mechanical equipment of any kind. The same practice was followed with the Chinese Nationalists. Is not the Senator from Illinois of the opinion that the Vietnam Army has made great headway within the short time General Daniel has been in charge?

Mr. DIRKSEN. What we saw during a field demonstration by that army was a splendid testimonial to a great American soldier and drill master, Iron Michael Daniel. I think we all ought to salute him for the job he has done.

Mr. CLEMENTS. I think my friend from Illinois and I agree with the military officials that the Reserve divisions are one of the real essentials; and that the next step will be to provide Reserve divisions for Vietnam.

Mr. DIRKSEN. I am confident that it will be.

Mr. CLEMENTS. With those military beachheads among our friends in that area, coupled with the Philippines, regardless of the fact that those armies are of a size which we might say are more important for internal security than they are to wage war, would not the Senator from Illinois agree with me that Southeast Asia can be saved if we give those countries the proper financial support?

Mr. DIRKSEN. Yes; and with those so-called beachheads our lines are so much foreshortened.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. The colloquy between the two distinguished Senators has been very helpful to Senators who have not been to Asia. I ask the Senator from Illinois if it is not true that if the amendment of the senior Senator from Louisiana [Mr. ELLENDER] shall prevail, \$220 million of the \$440 million will come directly out of military assistance commitments, about which the Senator from Kentucky and the Senator from Illinois have been talking?

Mr. DIRKSEN. The Senator is exactly correct. I should admonish the Senate also that this is the first time the Korean version has been in the bill. Heretofore it was carried in other appropriation bills. This is the first time it has been carried in the mutual-security bill.

So, when we consider the increased burden and the reduced amount, it occurs to me that the administrators have done a splendid job.

Let me get around to the most abstruse question before us, because I know what a plausible argument one can make about the question of obligating the funds on the 30th day of June.

In the colloquy between the two Senators from Louisiana and the junior Senator from Montana anyone who did not know the whole record could very well concur. But let us examine what has happened as to any shift of responsibility which Congress has in the matter upon men of good faith who are well and diligently administering affairs in the executive branch.

In the second supplemental appropriation bill for 1954, which was approved on the 24th of August, for the first time Congress wrote what it regarded as a firm obligation of money. There are some eight categories, and they are all very nicely recited there. Congress did that. We said to every agency in the Government, "There is a definite obligation, and it is the law.

You must abide by it, because if you do not you may make an obligation which will be invalid, illegal, or unlawful, and you will be responsible for it."

The law contained abstruse language which had been drafted by the General Accounting Office. We sweated over it for a long time. We have encountered this problem before. It had to be spelled out by regulation.

Mind you, Mr. President, the supplemental appropriation bill was approved on the 26th of August 1954. The regulations were drafted in the Pentagon. It took from the 26th of August until the 2d of November to draw up regulations which were reasonable and responsive to the statute which Congress enacted. Now the hands of the executive department are tied with respect to money until they send the regulations to the General Accounting Office. How long do Senators think they were there?

The law was approved on August 26. The regulations were finished by the Pentagon on November 2. They did not get out of the General Accounting Office until March of this year. That is how long they were there. And all the while there was the Pentagon, there was MDAP, and there was FOA, which had its hands tied. It could not tell how legal the obligation was until it was made clear. The General Accounting Office said 2 or 3 changes were to be made. That was in March, and it took until May before the changes were made. The Pentagon did not do it; FOA did not do it; we wrote the law, in which we said, "There is a definition of obligation, and, mind your p's and q's, you had better abide by it."

All this interminable time was spent in finding out how they could legally obligate money. In the law we provided that any money which is reserved for apportionment and appropriation must be supported by an audit, by a certificate, and by records. All this time they had their hands tied.

What happened? They said, "Air Corps, look. Tell us what you want to obligate and what you have on the books." They could have obligated it months before, but because of the task of having to explore and reexplore all their books, it was the 7th of June of last month before the Air Corps could get them all audited. I think it was the 17th of June before the Army and Navy could get their certificates ready.

Then a little difficulty arose. What happened? It was the 29th of June 1955 before they could comply with the law. We wrote into the statute the obligation to audit, record, and certify before they could have a valid obligation and before they could spend money. Who did it? They were simply abiding by a very abstruse section called section 1311 in the second supplemental appropriation bill. They were glad to have it. They said, "This is the first time an obligation has been defined in a law." But when one thinks of the millions of entries made it can be seen why they could not get the package together until the 29th of June.

What happened on the 30th of June, the last day they obligated money? They could not act any sooner. We had it fixed so they could not. But months

before, they had all their data ready. They could tell one how many planes, how many tanks, how many 155 millimeter howitzers, were involved. They had all that information.

That is different from coming onto the Senate floor and saying, "Oh, these wretches. They wait until the 30th day of June and then they obligate hundreds of millions of dollars." Who did it? We did it, and we ought to confess the fact instead of castigating good administrators in Government, who have been diligent in the pursuit of the public's business.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. Let me make one observation, and then I shall yield.

Mr. President, this is "rugged" kind of information to present. There is not much pleasure in doing this. I do not like to sit up nights to dig out the facts. But there has not been any other way to do it, and I am afraid it has not been done as it should be done, so the whole story may be placed before the public, instead of putting the departments in a bad light and saying that hundreds of millions of dollars were obligated on the 30th day of June, "and see what wasting scoundrels they are." That is a poor statement to make about men whose devotion and loyalty to the public service is not exceeded by that of anyone in this body, including myself. I will never charge them with bad faith. I think they go about their business as well as anybody in trying to serve a common boss, which is Uncle Sam.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. I should like to ask my distinguished colleague if it is not true that when the money is reserved by the Mutual Security group of which the Senator has just been talking, the actual airplanes and tanks have been shipped or are on their way to delivery to the Army, the Navy, and the Air Corps; and when there has been a certification, it is for money appropriated by the mutual security bill, so that the equipment of the Navy, the Army, and the Air Corps can be replaced with the best possible and newest equipment for the equipment which has been used for the purposes of the mutual security program. Is not that correct?

Mr. DIRKSEN. That is correct.

Mr. SALTONSTALL. So if the money had not been obligated, as it was obligated, by the latter part of June, or on June 29, as the Senator has stated, it would mean that our Army, Navy, and Air Corps would not be able to replace the equipment.

Mr. DIRKSEN. Exactly so. We serve two purposes in that connection.

Mr. President, I wish to allude to the letter to which reference has been made. If one reads the House report, one might say there was a violation of an agreement in writing between the Pentagon and 3 Members of the House, 2 of them

being Members of my own party and 1 a Member from the majority side. What did happen, as a matter of fact? We may just as well get the whole story out in the open.

While the discussion was going on as to whether or not the money could be taken out of the bill, General Moore and Markley White, who is deputy comptroller in the Pentagon, came to the Capitol to have a session with the Members of Congress. The question was raised, "Why did they have to have a memorandum about it?" I will tell my colleagues why. It was because in the discussion, the House committee clerk suggested to General Moore that perhaps he ought to reduce to writing his understanding of what happened in the conference with three Members of the House. That was his testimony before the Senate committee. That was done. I think the language was a little involved, but I thought I read it correctly the first time. General Moore has been appearing before committees of the House and the Senate for 19 years. He is the liaison man, and a good one, and a man of honor. He repudiated any implication that he ever entered into an arrangement with three Members of the House.

Let me ask my colleagues something. How in the world would a responsible person, who had served as a general in the Army, make a deal with 531 Members of the House and the Senate which would involve \$420 million? That is as fantastic and incredible as anything I ever heard of. According to the memorandum, there was supposed to have been a deal.

I read from the first paragraph:

This is a record of Mr. Shaw's and my understanding of the agreement reached yesterday, the 28th day of June 1955, by the three Members present in connection with the apportionment request of the Department of the Defense.

Does it say an agreement with anybody? Does it say an agreement with FOA? Does it say an agreement with the State Department? Does it say an agreement with the Pentagon? It says agreement with three House Members. Yet on that very basis there was written into the House report the statement that he had signed an agreement to put \$420 million into the bill.

I have often heard semantics discussed. I have engaged in a bit of etymology myself in 25 or 30 years, but it would certainly test my credulity to read into the statement I have read that there was an agreement between three Members of Congress and the agencies downtown to put \$420 million back in the bill.

If I thought three Members of the body where I served for 16 years could do that to the other 528 Members, I would wonder what had happened to the authority of the United States Senate and the other Members of Congress.

What I have referred to was the General Moore memorandum. I think we had better be a little careful as to how we read the memorandum. After all, \$420 million is not hay, especially in the little town where I live.

Mr. President, in the course of the debate something has been said about Mr. Hensel.

Mr. THYE. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DIRKSEN. I yield.

Mr. THYE. Mr. President, as one who sat through most of the hearings, and endeavored to obtain all the facts and all the information, I wish to state specifically, for the RECORD, that I concur in everything the distinguished Senator from Illinois has just said.

I desire to say, further, that I know of no one who showed greater interest or asked more searching questions of those who testified before the committee relative to this appropriation than did the Senator from Illinois.

For that reason, I wish to state positively for the RECORD that I sat through most of the hearings, and that I concur wholeheartedly in the remarks and observations of the distinguished Senator from Illinois.

Mr. DIRKSEN. I thank the Senator from Minnesota very much.

Mr. President, Mr. Hensel's name has been mentioned. What is the situation? Of course, there is nothing like going back to the person who testified to obtain his definite statement on the matter. Therefore, Mr. President, I desire now to read into the RECORD a telegram from Mr. Struve Hensel, dated July 15, sent from Bohemian Grove, Calif., and addressed to the Honorable Wilfred McNeil, Assistant Secretary of Defense, at the Pentagon Building in Washington. The telegram reads as follows:

BOHEMIAN GROVE, CALIF., July 15, 1955.
HON. WILFRED MCNEIL,
Assistant Secretary of Defense,
The Pentagon, Washington, D. C.:

I am distressed by newspaper reports that House Appropriation Committee feels there was undue haste in June military aid obligations and that I promised not to obligate all available money. There must be some mistake or lapse of memory on committee part because such reports have no factual basis.

First, I made clear in detailed tabulations that all unobligated money had been programmed for obligation and expenditure, and encouraged Congress to indicate any item which it did not approve. No disapproval of any particular item has been indicated to my knowledge.

Second, appropriations request for 1956 was based on assumption that all unobligated money would be carried forward. Otherwise, foreign policy needs for 1956 would have required even more money than requested.

Because, Mr. President, if one took that view, it would be necessary to request for military purposes for 1956, appropriations of perhaps \$2 billion instead of \$1,125,000,000.

I read further from the telegram:

Third, when House Foreign Affairs reported bill which required money to be obligated or lost, I made long statement to House Appropriations to effect that such action released me from any statement made on assumption that unobligated money would be carried forward or that cuts, if made, would be related to disapproved pro-

grams. Unfortunately, TABER and WIGGLESWORTH missed that portion of committee hearing, but I trust they read record.

Fourth, before obligating money in June, I telephoned PASSMAN and TABER explaining my intentions and need for money to be carried forward. After my explanation, TABER said, "All right," and PASSMAN promised no cuts would be made unless disappeared items were clearly indicated.

Fifth, I feel strongly that Congress was fully and frankly advised of each program and each step taken, and I am deeply disappointed with House Appropriations' action in making meat-ax cut in 1956 funds without indicating which programs should be dropped. You may use this wire as you see fit.

STRUVE HENSEL.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. BARKLEY. As the Senator from Illinois knows, I am not a member of the Appropriations Committee, but I am a member of the Foreign Relations Committee. I listened attentively and with great appreciation to the able testimony of Mr. Hensel. I do not recall that I have ever listened to a more forthright witness before any committee of which I was ever a member. I recalled that in going over these funds and in trying to ascertain whether they constituted what in his mind was a minimum for the requirements, after all the screening which had occurred before the items reached us, not only from the military standpoint, but from the economic and other standpoints, I asked him the specific question whether this amount was regarded by him as the minimum with which the Department could fulfill our obligations, as set forth in the authorization bill. He most emphatically and repeatedly said that in his judgment it was the minimum with which they could carry out those obligations.

Mr. DIRKSEN. I think that is correct; and as we examine into the matter, we come to the same conclusion.

Mr. BARKLEY. How anyone could misunderstand Mr. Hensel, in connection with a matter of this sort, I am unable to understand.

Mr. DIRKSEN. It is unfortunate that sometimes there come to be inexplicable conflicts of testimony. But I cannot imagine that one with Mr. Hensel's background would say anything like that, unless it was based on one of the assumptions to which he had alluded.

So I think that answers any effort to place upon the language he used an interpretation which was not there.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. Is it not true that we must base our judgment and our actions on the facts, not on whether an agreement was or was not kept?

Is it not also true that if this amount of money was held over, and was not spent in the fiscal year 1955, that is no evidence that additional funds will not be needed in the fiscal year 1956 and in connection with the 1956 program, in order to keep the commitments which already had been made in 1955, as well

as the new commitments for the fiscal year 1956?

Mr. DIRKSEN. Definitely so; and if the need is not there, the money will not be used.

Mr. SALTONSTALL. Is it not a very dangerous practice for the Bureau of the Budget—and I criticize the Bureau of the Budget—to make with any Member of Congress, whether he be a Member of the House or a Member of the Senate, verbal statements and verbal agreements which do not show in any way in the record?

Mr. DIRKSEN. Exactly so.

In the course of the debate today, it has been observed that actually there is no emergency, and that these funds can wait; and the suggestion has been made that we might well wait until next year.

Mr. President, the Senator from Kentucky [Mr. CLEMENTS] and I went to Quemoy, and spent a day there. We examined the log of action on Quemoy. From September 3, 1954, to June 6, 1955, 17,000 rounds of howitzer ammunition fell on Quemoy, in 470 separate shellings. Is it said that no war is going on? Certainly a war is going on somewhere. We had the benefit of all the reconnaissance photographs showing airplanes on the mainland of China, all the way from Shanghai to Fuchow. Those photographs are available for inspection by anyone who wishes to examine them.

At the present time, fighting is going on in Laos; and let us not forget that the Red evil is still on the march, and the pressures are still there.

Consider the concern our friends in Thailand have at the moment. An autonomous government has already been created in Yunnan Province, running down into Thailand. What those forces are going to do is as plain as the nose on one's face, Mr. President. They are going to drive a wedge right through the middle of the Asian arc, if they can do so; and they will do it if we forsake those countries. Mr. President, are we going to forsake them, or are we going along with the mutual-security program?

The question has been asked, "How long will this last?" Mr. President, I do not know. But I do know that this very afternoon, as the sun goes down, it shines on a country which is at peace, and I do know that the young men of that country are not paying with their own sacred blood for any mistakes which might have been made. That is worth something, Mr. President; is it not? When we stop to consider that foreign aid of this kind has cost us \$11 billion since 1949, whereas the Korean war cost us over \$18 billion, if we put the tangibles and the intangibles together, the total score is a rather good one.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. First, I desire to congratulate the able Senator from Illinois upon the excellent address he is making, and also upon the splendid observations which he, along with the distinguished acting majority leader [Mr. CLEMENTS], brought back from a com-

pletely bipartisan visit to the troubled areas of the world, and also for the fine leadership he is exemplifying in this cause, which I believe to be a highly necessitous one.

Mr. DIRKSEN. I thank the Senator from Florida.

Mr. HOLLAND. Mr. President, I have just consulted the RECORD. I find that on June 2 of this year, the Senate passed the mutual-security authorization bill, which carries the authorization on which the appropriations included in the pending bill are based.

I note that 50 Senators voted for the passage of the bill, and that 11 others were shown by the RECORD as either paired or declared for the passage of the bill, making a total of 70 Senators approving its passage.

I note that 18 Senators voted against the bill, and that 2 other Senators were shown as either paired or declared against passage of the bill, making a total of 20 opposing its passage. The vote, as shown by the RECORD, with 6 Senators shown as not voting, was 70 to 20 for passage, or 3½ to 1.

I ask the distinguished Senator if he thinks those 70 Senators were joking on that day in June, only a few weeks ago, when, after long debate and long study, that vote was taken, authorizing the appropriation which we are now debating.

Mr. DIRKSEN. Certainly Senators were earnest and serious about it. They would have to be.

Mr. HOLLAND. I note that the amount voted by the House of Representatives on this particular item in the pending appropriation bill for direct military aid to our allies is \$705 million. The amount in the authorization bill was \$1,133,000,000. The present effort, of course, is to sustain the House amount, and not to recognize the restoration of the amount eliminated by the House but restored by the Senate committee. The total amount cut off this appropriation for military aid by the House was nearly 38 percent of the total.

Mr. DIRKSEN. So it was.

Mr. HOLLAND. I should like to have the Senator comment on this point of view: Many of those who are best informed as to the philosophy of our potential enemies, the Soviets, believe that one of their first objectives in engaging in the present talks "at the summit" was to soften our will to go through with the intensive and expensive military preparation of ourselves and friendly nations so that we could be so clearly prepared to meet any possible aggression that no aggression would come.

My question is this: Could anything be more encouraging to the Soviets, if that was one of their main objectives—as I believe it to have been—or more discouraging to nations which are friendly to us, than to see us, between the second of June and this date, when the only important thing which has happened in this field is the calling of the talks at the summit, so soften our determination to see this effort through that we cut off nearly 38 percent of the amount which, only a few short weeks ago, we agreed, by overwhelming majority, was a reason-

able amount to appropriate for military aid to our allies?

Mr. DIRKSEN. I think it would be easy—and with reasonable justification—for other people to infer, if we cut 38 percent from the current military account, that the United States, notwithstanding all the noble sentiments it has uttered, notwithstanding all the idealism which has been expressed, notwithstanding its devotion to the cause of freedom and to humble people, by its very action now indicates to the world that when the time comes to put up, it draws back and chops off \$420 million. How are we going to escape that inference, not only in Europe, but elsewhere?

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. Does not the Senator think it would be a fair inference for others to draw that the friendly smiles which have been shown us at Geneva have so softened and warmed our hearts that we are wondering whether we were right in the first instance when, only a few weeks ago, we showed a willingness to devote to this program the entire amount in the authorization bill which was earmarked for military assistance? Will they not think that now, instead, those smiles have so softened us, have so warmed our neighborliness and our well-known American feeling of kindness toward everyone who shows any degree of kindness to us, that we are actually reducing help to the nations which are willing to stand with us, to the extent of 38 percent from the figure which, on June 2, we felt was vitally necessary?

Mr. DIRKSEN. Exactly so; and I have not departed from the conviction that this ideology is still moving in Asia. It is still moving in Europe. This is no time for us to draw back. I see on the horizon a ray of hope. Consequently I wish to be sure that that hope is reinforced.

Mr. HOLLAND. Mr. President, will the Senator yield for one further question?

Mr. DIRKSEN. I wish to yield the floor, but I will yield for one further question.

Mr. HOLLAND. Although the distinguished Senator from Illinois is not quite as old as is the Senator who is interrogating him—I hope—I am sure he can recall the tragic things which happened shortly after the termination of World War I. When it appeared that we had captured the imagination of the world, when the world had shown very great willingness to follow our leadership, our leadership came to grief upon the rock of division in thinking between our then President, Woodrow Wilson, and the then Senate of the United States. Does not the Senator remember that?

Mr. DIRKSEN. I do.

Mr. HOLLAND. Does the Senator think that anything could be more encouraging to our potential enemies, and more discouraging to the many nations who are our friends and who are willing to stand by us, then to see this body,

which is peculiarly linked by our Constitution with the Executive in relation to foreign affairs, give up its determination to stand with an Executive who is peculiarly trained in military affairs, give up our determination, as shown on June 2, and, instead, showing material departure from his thinking and recommendations, particularly at the very time when he is engaged in the most critical conference imaginable, both with those who are close to us and those who are potential enemies?

Mr. DIRKSEN. Such action could carry with it grave implications.

Mr. HOLLAND. I hope the Senator will answer that question, because I do not know of anything that could be more discouraging than to see an apparent breach of thinking, an apparent unwillingness on the part of the Senate to follow the leadership of the President, and apparently a drifting in the same direction which resulted in the destruction of our leadership and our potential to accomplish peace after World War I. Such a development at this critical time, by a vote indicating that the Senate no longer is willing to follow the Chief Executive in a matter which he has told us is, in his opinion, clearly and completely necessary as we pursue our quest for peace, would be disastrous.

Mr. DIRKSEN. It would carry with it its own frustration.

That leads me to observe that the items which are before us today are not cooked up in a single brain. After all, there are the National Security Council, the Resources Board, the President, as Commander in Chief, who is a military figure in his own right, and the men at the Pentagon who render diligent and devoted service. They try to arrive at stable and sound policies, which must be implemented with money, all in the interest, of course, of a continuing peace, and the preservation of freedom in the world. Therefore, I conclude—

Mr. POTTER. Mr. President, will the Senator yield before he concludes his statement?

Mr. DIRKSEN. Yes; I shall be glad to yield; but, first, I wish to add one thought. I trust that the Senate will support the committee. I hope on a yeand-nay vote the Senate will support the committee amendment, and that it will vote down any amendment which seeks to impair the action of the committee so far as the military items are concerned. The military items are the crux of the bill. As the distinguished Senator from Florida [Mr. HOLLAND] pointed out, it would involve 38 percent of the whole request if the \$420 million were denied. I believe the case on behalf of the \$420 million can be made so well that I hope the Senate will support the committee.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. POTTER. Is it not true that the \$420 million item, the military item, is the muscle of the bill?

Mr. DIRKSEN. That is correct.

Mr. POTTER. Is it not also true that unless the funds are restored, it may be

necessary to reevaluate our own military needs at home, which would necessitate building up a further expensive standing Army, with American boys with rifles on their shoulders?

Mr. DIRKSEN. It would require a foreshortening of the existing program and a modification of the obligations, because when we cut the amount requested by one-third, it is a pretty serious thing.

Mr. POTTER. I wish to commend the Senator from Illinois. He is probably one of the best informed Senators on the subject which is before the Senate. This is my first year as a member of the Committee on Appropriations. I know that the distinguished Senator from Illinois attended every meeting of the committee. He has studied the question very carefully, and he has performed a great service to the Senate and to the country in his presentation.

Mr. DIRKSEN. I am very grateful to my good friend from Michigan for his generous expression.

Mr. President, I yield the floor.

Mr. JENNER. Mr. President, years ago when the foreign aid program was started, I heard the words of Senator Vandenberg—and I remember them well—"So many years, not another day." I remember the words, "Only dollars, not men."

Here we are, Mr. President, talking about our peace and security. This mutual security program was not started with that in mind at all. The foreign aid program originally was offered to Communist Russia as well as to every other nation in Europe.

Years ago in debate I said that first it will be Europe and then it will be Asia. The appeal today is, "Do not touch this sacred thing. Do not cut a dollar off it."

Let us look at the record. The Senate of the United States used to be known as the greatest deliberative body in the world. Certainly in this session it has lost that reputation. We have approved treaties affecting the peace and security of the world which 90 percent of the Members of the Senate never even read.

Our responsibility under the Constitution is to deliberate. We are here to weigh and examine and exercise judgment.

It is possible for a government to operate without a congress. Governments have operated in the past and still operate today in many countries of the globe without a deliberative assembly of men who are chosen to represent a sovereign people.

I have seen man after man do a complete turnabout on the very important issue now being discussed. Why? It is because we have reached the point in public life where, if men do not conform, if they do not march along, if they do not stay on the popular side, they are out. That is why this body has sunk to such a low level.

However, it is not for us to act without deliberation, in our form of government.

We do not want a government which must act quickly, or spend without stint.

The Constitution set up an executive branch, but put on it the binding obligation to explain the need for every dollar of expenditure to a branch of government which is wholly independent and coequal.

I do not believe that the Senate has all the brains on Capitol Hill. The executive branch apparently has explained the program to the House of Representatives. But the House of Representatives which is responsible for initiating tax legislation, which has a great responsibility in foreign policy, and which is closest to the people, voted 250 to 113, I believe, for the reductions in the bill. Yet we are asked to say, "We will put it all back." We treat our coequal body as though its Members were all ignoramuses. Are we know-it-alls? There must be two sides to the story.

I am sorry that many Senators were not present on the floor to hear the distinguished Senator from Louisiana [Mr. ELLENDER] go into the testimony given before his committee. He heard the same testimony to which the distinguished Senator from Illinois listened. They serve on the same committee.

The legislative branch does not enjoy the powers that come from big spending. Only the executive gains.

The Constitution put the power of appropriating our money into the hands of that branch of government which had every reason to hold down the demands on the earnings of our people.

Historically, parliaments arose to block the desire of ever-hungry governments to tap the resources of the Nation.

Our primary function in Congress is to safeguard our people against the exactions of officials.

Nature has a penalty—extinction—for all living bodies which fail to exercise their functions.

About the only power we have left in Congress now is the power of the purse.

I ask, Mr. President, what is the explanation for the unseemly haste with which an appropriation for billions of dollars, to be given to foreign countries, must be approved almost overnight by this body, whose function is deliberation?

The House Committee on Appropriations protests in its report:

The Congress and the committee have been handicapped in their attempt to give full consideration to the mutual-security program because of the delay in submission, by the administration, of both the authorizing and the appropriating legislation.

If the executive agency, which has a larger staff working with this program, full-time, every day in the year, cannot submit its requests to Congress in time, what is the reason why Congress, with its limited manpower and many responsibilities, must rush the mutual-security legislation through, without time to examine it properly?

Do Senators know when the committee report was handed to us, on the basis of which we are asked to vote today? Only yesterday.

Is \$3 billion of additional debt on our children so trivial a matter?

The House report says:

It would seem to the committee, now that certain portions of this program appear to be fairly well established, that administration requirements could be transmitted earlier in the session.

Obviously, a situation which causes a hurried consideration of measures of this magnitude during the closing days of each session of the Congress, is not in the best interests of good government.

I fully concur in that statement, Mr. President.

I do not understand any reason at all why the authorization bill for this program was speeded through both Houses of Congress, and now the appropriation bills must be voted on at an even dizzier pace.

If the administration has failed to get its reports and draft legislation to Congress on time, there is no obligation on Congress, to reduce its scrutiny of Government spending, to make up the lost time.

The House Appropriations Committee began its hearings on June 9.

Listen to the chronological order of the legislation, Mr. President.

Its report was submitted to the House on July 8 but not really available until July 11.

The House passed the appropriation bill on the day the report was distributed.

Maybe that is why we have all this confusion, two interpretations of the same set of facts. But I am showing how we are legislating in the Congress.

The Senate began its hearings on July 12.

The report of the Senate Appropriations Committee is dated July 19, but it was not printed until the 20th, and yesterday was the 21st, and we are passing the bill today.

In less than 2 days, we are asked to vote away over \$3 billion, and to get it all by still further raising the public debt.

It has always been a belief of mine that the financial security of this country is probably as important as is the piece of proposed legislation on which we are working today, because if it were not for the financial security of this country, where would the so-called allies of ours be today? If we go down the drain, what is going to happen to Vietnam, Korea, Formosa, and all the other nations which have been named today in such pitiful words?

If anything needs a little deliberation, it seems to me this bill needs deliberation, before we vote away billions to foreign countries, which cannot be paid out of our enormous tax load, but must be paid by adding to the heavy burden of future generations.

The question before us today is not whether to approve the foreign-aid program and its objectives.

That question arises in connection with the authorization bill.

The question here is how best to carry out the objectives approved in the earlier act.

Exactly how much money shall be spent and with what safeguards.

We all know well, Mr. President, that the foreign-aid program has at this moment a total of nearly \$9 billion, appro-

priated in previous years, but still unspent.

As a part of that carryover, the military-assistance part of the program, for assistance and training of forces of other countries, has an unexpended balance of \$6,800,000,000. Talk about lead time.

I have been listening to that for years.

The House Appropriations Committee says, dryly, this balance "provides more than adequate momentum for the continuation of this program in an undiminished manner throughout the ensuing year."

So it would seem, to anyone not dazzled with too much experience in spending billions of other people's money.

The direct forces support program which deals with nonmilitary items for the military forces of other countries, still has 80 percent of its past appropriations unexpended, and yet it is asking for a third of a billion dollars more.

Defense support, which covers general economic aid, has still unspent over a billion dollars of earlier appropriations for Asia alone.

Yet we are asked to vote another \$827 million for defense supports in Asia.

Why should Congress keep on voting appropriations to strengthen the military power of the anti-Communist nations of Asia, when we know the foreign policy elite in our Government has always dragged its feet in giving hard military aid to countries whose anticommunism was beyond question?

We appropriated money for the defense of Korea, but what happened? They got \$200 worth of baling wire.

What are we doing for our friends in Asia? What have we done to them, would be a better question.

The House Appropriations Committee, after careful examination of the operations of FOA, recommended that the House cut the agency's request for three billion three hundred million to two billion seven hundred million.

I do not believe, Mr. President, that is an unreasonable request on the part of the House.

This cut of six hundred twenty-seven millions was made chiefly by cutting off four hundred twenty millions which the Defense Department had promised the committee it would not spend but which was reserved by the Department on the last day of the fiscal year 1955, to carry it over for use in fiscal 1956.

The House committee also cut one hundred millions from the President's fund for Asian economic development.

Even the sponsors of this dream program admitted they could not spend more than half the sum they asked for in the coming year. But that is not all. There are other Asian programs.

The House also cut \$21,500,000 from the request for the technical-assistance program.

The bleeding hearts are always asking for more money for technical assistance, as if it were something new, invented by Government; but this program has \$189 million from earlier appropriations still unspent. Does the Senate think that a

reduction of \$21,500,000 will hurt the program, when \$189 million is still unspent? I think we will be back here next year. I do not see much justification for our coming back, but we are supposed to come back. If the technical-assistance program is in trouble, we can find more billions to appropriate for it, and very quickly, I am certain.

The story of the \$420 million goes to the heart of congressional power over the purse strings. I shall not speak about who is right or who is wrong. I have heard two versions on the Senate floor today. I shall approach the question from another angle. The \$420 million goes to the heart of the congressional power over the purse strings.

We all know the fierce determination of Federal officials to spend all the money they can spend just before appropriation lapse on June 30.

Congress has been struggling with this waste for years.

When Federal agencies were given power to obligate funds for future spending they had a new and much wider opportunity to tie up all unspent money before the end of the year.

Finally, Congress put into the law a prohibition against obligating over 25 percent of mutual-aid funds in the last minute rush of May and June, to prevent waste and careless processing.

This year the FOA found itself with 920 millions unobligated and unreserved as they approached the end of fiscal 1955.

They came to Congress and asked permission to obligate 312 millions of that amount, and promised that 420 millions of the remainder would not be reserved or obligated at all.

It would be returned to the Treasury. Instead, they got a ruling from the executive branch that it could reserve these funds for use beyond the current year.

This reserving of funds would not count as an obligation, and so would not come within the restrictions in the law, but it would nevertheless be a binding commitment.

I shall read from the House report. It may be wrong, but if it is, let us find out. What is the rush? This is what the House report says:

When they were given an interpretation of the law they rushed out and reserved several hundred million dollars during the last hour of the last day of the fiscal year 1955.

Furthermore, under that action they obligated in excess of 42 percent of the entire fiscal year's appropriation in the last 60 days of the fiscal year.

Mr. President, we all know that obligating funds is often just fancy paperwork, especially when something like a billion dollars is allocated in 8 weeks.

I will not say it sometimes approaches the art of fiction, but if this were not the season for sweetness and light, I might be tempted to say so.

An allocation requires only a title, a description of the project, a few figures, and a cooperating agency.

The trained spenders and their aids know all about writing up projects.

It is always easy to get a cooperating agency, like an American university which can get FOA funds, to train Government workers in Thailand or Timbuktu. Such projects are not a very binding tie. They can always be revised.

The House committee reports that it is seriously concerned about the business of obligating funds by drawing up pretty projects. The report says:

During the hearings, numerous examples were discussed showing that funds certified as obligations in the fiscal year 1954, were deobligated in fiscal year 1955, and then reobligated for entirely different purposes.

Yet it is said: "Oh, remember the lead time."

There is reason to believe that funds are frequently obligated late in the fiscal year in order to carry them forward, even though the obligations are not based on firm agreements or commitments.

Further, the committee has developed numerous instances where funds for projects initiated as far back as 1952 and 1953, are still being carried as obligations, despite the fact that little or no activity has taken place on such projects.

Yet we stand on the floor and say, "Do not touch this appropriation. It is sacred. Every penny is needed for the peace and security of our country."

Oh, what can we not do under the guise of peace and security for our country? If we continue to draft and pass legislation such as this, we shall bankrupt not only the peace and security of the United States, but of the entire free world.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LONG. Does not the Senator realize that when we are told the Government is not particularly asking for anything in the way of military aid for Europe, that statement is based primarily on the fact that \$5,500,000 is available for military aid for Europe which was not spent last year?

Mr. JENNER. The program is choking to death with funds. As far back as 1952 funds have been earmarked as obligations.

Mr. LONG. Has it ever occurred to the Senator that some of the things for which money was appropriated in 1952 and 1953 might no longer be needed in Europe?

Mr. JENNER. I wonder. But we do not know. Congress does not know.

I shall read the conclusion of the House committee report. This is supposed to be a deliberative body. I realize that I said I would speak for only 30 minutes, but I still think the Senate ought to know what the House committee reported.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. LANGER. I hope the Senator from Indiana will take another hour. He is making one of the best speeches I have heard on the floor in a long while. I commend the Senator for it.

Mr. JENNER. I thank the Senator from North Dakota. Much of my speech contains quotations from the report of the committee of the House, which is a

coequal branch of Congress, and is certainly entitled to great respect in the Senate. I quote from the House committee report:

A careful reappraisal of all obligations on the books would give large amounts of money to finance future programs.

I might add, Mr. President, that \$3,300,000,000 of obligations were brought forward from fiscal 1954 or earlier.

This action of the House Appropriations Committee was a most encouraging first step in putting foreign aid spending into the harness of congressional control of the purse.

The House sustained its committee by a vote of 251 to 123, or by more than 2 to 1. The House of Representatives sustained the cuts. Are we to sit here blithely and slap them in the face and restore everything they cut, when they are on sound ground and we are not?

Although the vote on the cuts was 251 to 123, I have been personally informed by many, many Members of the House that they would have liked to cut the appropriation further. The fund available for foreign aid, after the cuts voted by the House, was \$2,600,000,000 of new money and \$8,700,000,000 of earlier appropriations, which is still unspent, making a total for this one operation of \$11,355,841,750. Yet we worry about an unbalanced budget.

We have the report, as of yesterday, of the Senate Committee on Appropriations. What does it recommend? It urges that we restore to the bill practically all the cuts in the funds the House thought necessary. It says, in effect, that a Federal agency may violate the law and the intent of Congress, and its own written promise, and the Senate should uphold it.

There may be a controversy, because I have heard two different versions, but I do not see why there should be so much haste, when all of these unobligated funds are available. Congress will be back in session in a few months, and we can find out what is the truth. If the intent of Congress has been deliberately bypassed by the bureaucrats, it is time that Congress began to exercise its functions. If it does not, Congress is doomed to extinction.

Mr. President, we have sweetness and light and peace talk. Yet our Senate committee, in spite of all the unobligated billions, is recommending, in the bill on which the Senate is to vote in the next few moments, that the Senate appropriate \$234 million more than the Senate appropriated for foreign aid in 1954.

Some may ask when is the program going to end? I ask, When is it going to be reduced? The Senate Committee on Appropriations knows that not only will foreign aid never end, but it will grow. This year it was \$251 million more than it was last year. Is the world worse off? I thought it was better off. I have been hearing a lot of peace talk, sweetness and light.

My colleagues will remember how often—we talked about it today in the cloakroom—we have been told that if we gave our money for another year

or so, the spending would come to an end. I have heard the plea made, "Don't throw a 15-foot rope to a man who is drowning in 30 feet of water. Let us help our friends until they can get on their feet, because of the war ravages they have suffered. Then it will be over." Instead, foreign aid grows larger each year.

The senior Senator from Idaho [Mr. DWORSHAK] pointed out that the American postwar-aid appropriations for foreign countries now total \$65 billion, and the distinguished Senator from Illinois said he thought it was cheap, and was a small amount for a nation which had a national product of \$370 billion. Somebody in the cloakroom told me he heard a whirling sound. I am sure that was Colonel McCormick turning over in his grave when the Senator made that statement.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. DWORSHAK. Since the Senator from Indiana has referred to the senior Senator from Idaho, I should like to call the attention of the Senate to the fact that in the decade following the termination of hostilities of World War II there has been authorized, for 146 categories of foreign assistance, the total sum of \$65,142,000,000; but the report shows that so far we have expended only \$61,147,000,000 in this decade.

I should like to point out to the Senator from Indiana that while we have expended only \$61 billion, there is not much optimism in the forecasts which have been made by the great leaders in the field of foreign aid, like Harold Stassen, who recently informed our committee that Congress should expect to make this foreign aid program permanent. Does the Senator appreciate the connotation of the word "permanent"?

Mr. JENNER. I think I do, and I thank the Senator from Idaho, but I wish to remind him that the end is not anywhere near in sight.

The Senate committee have also added \$50 million to the \$100 million appropriated to the President for Asian economic development. They say "We are going to raise the amount." I stress Asian economic development, because there are other funds provided for that purpose; there is not merely one fund.

This raises another problem that goes to the heart of congressional power over the purse. The original budget request included one fund of \$100 million to the President for a "Special Presidential fund"—I repeat, a "Special Presidential fund"—and another for \$200 million for a President's fund for Asian Economic Development. So now there are \$300 million in the different special President's funds.

I say this goes to the heart of the congressional power over the purse. Why? Not a penny of this second fund—\$200 million—can be spent for military strengthening of other nations. Its sponsors admit it cannot be spent within the year. It is in fact designed to fit the will-o-the-wisp nonsense that communism develops among the very poor, and that American spending in

poor areas of the world will prevent Communists from getting in. This idea is so completely fallacious that it has been used again and again by the Communists to help us spend our way to bankruptcy.

The House cut the \$200 million provided in the second fund for Asia to \$100 million. The Senate committee wants the Senate to raise it to \$150 million.

The Congress is attempting to put the reins on wild-cat obligating of whatever is left at the end of the fiscal year. It has not even begun to put a bridle on the dangerous business of Presidential funds.

Mr. President, does anyone know what the first Presidential fund in this bill is to be used for? The language says it is to be used for such purposes as the President may determine to be important to the security of the United States.

We know perfectly well that the President of the United States does not spend this money. The phrase is a cover for the fact that the spending elite wants money it can shift in any direction, for any purpose, without restraint of Congress.

Does anyone know what is going to be done with the other "President's fund for Asian economic development?" Probably Mr. Stassen knows. But does Congress know? Does Congress have any good reason whatever for believing that this fund will be used constructively to strengthen America's position in this dangerous world?

I say this request is for worldwide boondoggling. I say it serves no purposes which can be clearly defined, so Congress can check whether they are in the national interest. I say the device of the Presidential fund is basically totalitarian. It is a request for money over which Congress shall have no control. It is pure executive absolutism.

The Founding Fathers knew that the Chief Executive in their new Government would be a human being, who could do so much and no more. They gave him certain powers, but they knew most of the work of the executive branch would be carried on by other persons. They assumed the familiar machinery of "principal officers" in "executive departments."

Since 1789 it has been the practice that these "executive departments" were established by Congress. Their form of organization—their powers, duties, and limitations—were all prescribed by Congress before the officers could legally act. The device of Presidential funds is a clever device for bypassing the right of Congress, under the power of the purse, to define the powers and duties of executive agencies which use the public money.

The legal office which was set up under the Constitution, to be exercised by a human being—the President—has become a mystical center of absolute power to be occupied by a superhuman person, to whom all things can be entrusted without question. Behind the glamorous figure of this superhuman person the power is exercised by hidden bureaucrats, whose work Congress is not permitted to see or criticize.

We need to keep in mind the fact that the strongest impact of foreign-aid spending is at home. These billions of dollars buy American coal, American cotton, American business know-how, American radio agencies, and the services of colleges, voluntary social agencies, and officials of other Government departments.

These funds make possible the establishment of a large section of the spending bureaucracy, the new Government elite, which spend large amounts of the taxpayers' money, and reduce our private business and private agencies to satellites revolving about the sun. It is no part of the plan that these agencies should operate under congressional control.

Mr. President, it is the business of Congress to bring them back under restraint of law. That is not important as an expression of the power of Congress, or of a tug-of-war between Congress and the executive branch. It is important because the Constitution was designed to prevent the bureaucratic tyranny of Europe, and we have ignored our obligation to follow its guidance.

We are told that the Senate committee has strengthened this bill by insisting on inspection of our projects in Yugoslavia. Why inspect projects in Yugoslavia, Mr. President, when we should not have any projects there at all.

The Soviet Government has just made a dramatic move to express its public friendship with Yugoslavia. Our press makes light of this move, but the Soviet leaders do nothing for fun. Alliance between the Soviet Union and Tito means that the Communists now practically reach to the Adriatic, and threaten Italy. But Italy is the headquarters of the NATO command of the Mediterranean. The Austrian Treaty cuts Italy off from Germany. The Soviet visit to Belgrade puts the Communists at the doorstep of Italy, that is, of NATO. And we are told that we can resolve the threat of Soviet-Yugoslav collaboration by having inspectors look at the projects our money is building on Communist territory. We are told the Senate has improved this bill by reducing the fund for economic aid to India from sixty-one million to fifty million.

Mr. President, why should we give fifty millions to India, when India is admittedly neutral in the irrepressible conflict between human dignity and human slavery?

During his recent visit to Moscow, Nehru said:

We have set ourselves to the task of building by peaceful means. A Socialist pattern of society in our country.

Although under the leadership of Mahatma Gandhi we followed a different course in our struggle, we admired Lenin and were influenced by his example.

Recently we were shown here in Washington motion pictures of Tibet, made by Lowell Thomas and his son. They were admitted to the most sacred places, and permitted to photograph the young Dalai Lama himself.

The Tibetans have none of the material advantages of civilization. They dislike materialism, because it interferes

with their real interest, which is religious contemplation.

To the superficial observer, the picture may have been the quaint story of strange and far-off customs. But this simple travelog was a deeply moving tragedy.

Why did the rulers of Tibet, after centuries of silence, invite an American to visit their country? Because the Communists had just conquered China. The wise Tibetans knew, if the outside world did not, that the Communists would move swiftly to conquer Tibet before they could be halted.

The Tibetans thought that, if they told their story to America, the symbol of freedom and independence, the Americans would find a way to help. We did not help Tibet.

The Indians, who were closer to it, did not help Tibet. The Indians had time to carry on a bloody conflict with Pakistan, but no time to help Tibet. Now Tibet is dotted with airfields, from which fleets of planes are pointed at the heart of India.

Why should we give soft welfare aid to India? Fifty million dollars would not make India strong, or determined to help itself. It would not prevent communism by preventing poverty. If poverty were the cause of communism, India would be Communist from Burma to Iran. Welfare aid, without a sound foreign and military policy, is setting the table for Stalin.

At the Bandung Conference, nations to which we are giving little or no help spoke out in accents like those of 1776 in favor of true liberty. Small nations were ready to defy any power, however strong, which was reducing men once again to slavery.

Love of liberty comes from within. It cannot be bought.

Nations which do not support us because they love liberty will never be true allies of ours, because of our boondoggling foreign spending agencies.

Congress is responsible for imposing the restraint of law on these powerful and unrestrained spending agencies, by vigorous use of the power of the purse. It is important that the Senate should support the House in penalizing an executive agency which violates the law and breaks its own written word.

The House is the body which is responsible for originating all tax legislation. It carries a heavy responsibility in foreign affairs.

Its recommendations on this bill strengthen the rule of law, and reduce the waste of public money by boondoggling.

I propose, Mr. President, that we show our solidarity with the House, in affirming congressional control of the purse, by sustaining the cuts made by the House in this appropriation.

If these small cuts are not sustained, I may move to recommit the bill. In any event, I am against it with all my heart and all my soul.

I believe the foreign spending program will be able to limp along with \$8,700,000,000, taken from the earnings of the American people, while Congress seeks a way to bring this gigantic, all-powerful,

boondoggling foreign-aid spending back under the rule of reason and the restraints of law.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, line 7.

Mr. KNOWLAND. Mr. President, I do not intend to detain the Senate long.

The pending amendment is the second committee amendment, appearing on page 2, line 7 of the bill. I rise in support of the committee amendment, which was ably supported by the distinguished senior Senator from Arizona [Mr. HAYDEN] and by the distinguished Senator from Illinois [Mr. DIRKSEN].

Mr. President, I know of no fact from history, public press reports, or private advices from Geneva, which would warrant the Senate in starting to dismantle our mutual defense pacts in Asia or in Europe. The Chinese Communists are today in violation of the terms of the armistice in Korea. They are in violation of the terms of the armistice in Vietnam. They have been building up at a fairly substantial rate their air bases on the coastline of China, opposite Formosa and the offshore islands.

The Chairman of the Joint Chiefs of Staff, Admiral Radford, in his testimony before the Senate Committee on Appropriations, on page 109 of the hearings, had this to say:

The mutual-defense assistance program is an integral part of our own national-security program. It is designed to generate essential military strength in the free world which is complemented by our own national forces. One basic fact which cannot be disregarded is that the United States alone does not have available, nor could we maintain on active duty for an indefinite period, the forces necessary to match the Communist block in manpower at every possible point of aggression around the globe. We need each and every one of our allies, and they need us, if we are to maintain stable economies at home, and at the same time, remain adequately prepared to meet the Communist threat of aggression, not just this year or next year, but for an indefinite period ahead.

There are many valid reasons why it is more advantageous for us to assist our allies in maintaining their own national forces, especially ground forces, than it is for us to provide United States soldiers. Besides the lack of such unlimited manpower resources that would be required, the costs would be prohibitive even for this country. In addition, there is a psychological question of national pride and will to resist communism that is most important. Furthermore, our support under the military-assistance program has been supplemented by large expenditures by many of those allies on their own. In the aggregate, I am convinced that our mutual-defense assistance program is our best instrument for building up and maintaining the collective strength of the free world for the common defense.

We cannot be secure without our allies and they cannot be secure without us. It is clearly a case of interwoven self-interest. Our security and that of our allies are in reality one and the same.

Mr. President, it is true that we have a two-House legislative body. It is true that the Congress of the United States exists as a coequal branch of the Government of the United States. However, I submit that we are a coequal branch of the same government, not of different governments. Under the Con-

stitution a great responsibility rests upon the President of the United States as Commander in Chief of our Armed Forces.

The amendment to which I have referred does not relate to the economic phases of support. It does not relate to the technical point 4 program, and the other programs on which men may honestly differ. The amendment to which our attention is now directed—and it is the only amendment upon which a ye and nay vote has been ordered—deals with military assistance.

The President of the United States has had a wide and varied experience in the field of military affairs. He led the forces of the free world during World War II in Europe.

Perhaps the next man in our Government who has a heavy responsibility in this regard is the Chairman of the Joint Chiefs of Staff. Both have come before us, as have the National Security Council and the Defense Department, and have expressed the viewpoint that these funds are necessary and essential.

Two distinguished Members of this body, one a Republican, the junior Senator from Illinois [Mr. DIRKSEN], and the other a Democrat, the senior Senator from Kentucky [Mr. CLEMENTS], the able acting majority leader of the Senate have just returned from a trip to the Far East. They have testified that the developments which have taken place there have been important not only to the defenses of Asia, but also to the defenses of the United States.

In the Republic of Korea today there is a force of approximately 600,000 men. It is the largest military force of the free world in that whole area of the far Pacific.

On the island of Formosa there is a force of approximately 500,000. It is perhaps the second largest military force of the free world in that area.

We are now in the process of helping to build up, in the small country of Vietnam, which is under great pressures at the present time, a force which may be able to sustain the independence of that country. No man can underwrite whether they will be able to do it. Certainly, based upon the testimony brought back by our two distinguished Senators, the situation is greatly improved today over what it was a few months or a year ago.

Those are the facts which are presented to the Senate as we vote on this important issue.

I could think of nothing which would give the Kremlin more satisfaction than to be given cause to believe that merely because there had been some smiles by Chou En-lai at Bandung, or because Mr. Molotov had smiled and worn a cowboy hat in the West, we had started to dismantle our collective system of defense either in Asia or in Europe. For that reason I shall vote for the amendment of the committee. I hope the Senate will adopt the amendment by an overwhelming vote.

Mr. WILEY. Mr. President, it was my privilege this afternoon to listen to what I believe to be one of the clearest and most statesmanlike addresses ever made

on the floor of the Senate on the subject of the shrunken world of which we are a part and our obligation as a Nation. It was made by the distinguished junior Senator from Illinois [Mr. DIRKSEN] during his discussion of the mutual-security bill.

It is a wonderful thing when a man can stand in the Senate and admit that he has changed his mind because of the new facts of life that have come into being. A closed mind in this age is a dangerous thing. The Senator from Illinois is not only a versatile but a logical and convincing orator.

I cannot help recall an incident which occurred a few months ago when I was in Milwaukee. A very prominent businessman said to me, "You know, I am an isolationist."

I said, "Did you read the Milwaukee papers yesterday?"

He said, "Yes. What about it?"

I said, "Milwaukee has been chosen as a Nike site."

He said, "What is a Nike?"

I said, "You are not an isolationist. You are just blind to the changed facts of life." And the Good Book says, "The blind shall lead the blind and both will fall in the ditch."

"No," he said; "what is a Nike?"

I explained to him what a Nike was and told him that the Defense Department had recognized that, with the changed facts in the world, due to the ingenuity of mankind, Milwaukee has been made more vulnerable to enemy attack than New York City, over the Great Circle route. I told him that Milwaukee now was only 6 hours by fast plane from Siberia. I called attention to the further fact that when I went to Washington in 1939 the national income was \$70 billion, now it is \$280 billion and the national product was then \$90 billion and it is now nearing \$390 billion. And because of man's inventive genius, every nation is in every other nation's backyard.

He did not know those facts. He thanked me, and I am sure, for the first time, he sensed what changes had taken place in the world in the preceding years.

I told him that on one occasion when I was having breakfast with former President Hoover, I asked him—because he is a great engineer—whether it was true that we had an adequate supply in this country of only 9 of the 30 vital materials. He did not answer the question "Yes" or "No," but he figured it out on his fingers, and he said, "I have recommended to the Government that we keep on stockpiling. That was a sufficient answer for me. We know we do not have the manpower. We know that if there should be a world struggle, this country would have to be the great manufacturing and production plant for our allies."

Yes, the world is being shrunken by the ingenuity of man. As the distinguished Senator from Illinois has stated, it is in our national interest to do what is proposed to be done by the pending bill. In voting for this bill we are applying the law of self-preservation because of the changed world in which we live and because of the changed facts of life.

I shall, of course, support the recommendations of the Committee on Appropriations, and of the Foreign Relations Committee, which originally made the recommendations.

Mr. LONG. Mr. President, I have consistently voted to approve appropriations for foreign aid of various and sundry sorts, although I have felt time and again that there was great waste in the program. I have tried to point out wherein I felt that money was being wasted and that a more careful study should be made in order to protect the taxpayers of the Nation. Time and again I have tried to explain to some of my colleagues that there were already many billions of dollars on hand that could be used for desirable purposes in connection with the program.

As of the present time, for example, there is approximately \$8,717,000,000 unexpended. Some Senators have tried to point out that not only is there unexpended money, but great amounts of unobligated money, while, in years gone by, we were piling five or six billion dollars on top of the money already available, billions of dollars not obligated to be spent for any purpose. The majority in the Congress has insisted that the money be obligated in order to justify carrying over these vast balances. They have found it necessary to develop a new way of meeting the problem.

Some of my colleagues heard my able friend the senior Senator from Georgia [Mr. GEORGE] explain that every cent was needed and that these vast unexpended balances would all be obligated before the end of the fiscal year, and that anything which is not obligated will have to go back.

A new budgetary procedure was started. Instead of obligating money, it is reserved. That means that the Secretary of Defense tells the Secretary of the Army that they may need perhaps a billion dollars' worth of tanks to give to some ally some day, or they will need another billion dollars' worth of airplanes for such a purpose. That is not an obligation. The Secretary of Defense can change his mind any time he wishes to do so, and he can reserve the money for something else.

This modification of the law now permits \$2,700,000,000 to be regarded as obligated by the Secretary of Defense telling the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force that sometime in the future he believes they will need all these things, and that they should place the order.

But the items are not on order, because when they are on order, it becomes an obligation.

So, according to the House report, they have \$2,704,000,000 reserved, which is treated in the same fashion, as being an obligation, although it is not an obligation, because the Secretary of Defense can change his mind any day in the week so that it would cease to be even a reservation.

In addition to that, we find there has been some careful scrutiny of the matter in the Bureau of the Budget, because rather than just letting the Secretary of

Defense issue statements to the various departments to reserve all money in that fashion, it was felt in the Bureau of the Budget that these matters should be carefully examined to see whether it was actually or going to be expended for items placed on order.

We required by law that every dollar was to be obligated, otherwise the appropriation expired. The administrators of the program thus came to the last day of the fiscal year. They had 5 hours within which to act. They had not even reserved \$743,000,000.

So, Mr. President, the Bureau of the Budget wanted to know the point of view of the House Appropriations Committee and perhaps the Senate Appropriations Committee. The chairman of the committee and the ranking members on each side of the aisle did not see the need of carrying over \$743 million that the Defense Department did not know what it was going to do with.

Officials of the Department of Defense talked to the Appropriations Committee members. Mr. TABER told the individuals representing the Department of Defense that they should talk to the members of the subcommittee handling the bill. They did so, and the members of the subcommittee said they thought they had an agreement that \$420 million of \$733 million would go back, because it had not been obligated.

Some of it had been on hand since 1952. There was no real need for it, and it could be surrendered and go back. They felt that \$312 million of the \$732 million should be obligated.

Members of the Appropriations Committee thought it would be well that a letter be written to the House Appropriations Committee making it clear that there was an agreement between the Department of Defense and the ranking members of the House Appropriations Committee that \$420 million, never having been obligated, and never expended, should go back, and \$312 million would be reserved.

So, Mr. President, the letter which I hold in my hand was written. The letter says that it is written to make of record of "Mr. Shaw's and my understanding," as to the agreement which had been reached.

I am going to read a few very controversial words, because they were not in the first draft of the letter. They were put in by the man who signed the letter. The words are, "and by the three members present."

Those words make all the difference, because if they are taken out, the letter states that the Department of Defense, from the top level on down, understands and agrees that \$420 million should go back, because it had not been spent since 1952.

If we put those five words in, it means that someone in the Department of Defense was merely trying to remind the Appropriations Committee the impression of the Defense officials of the agreement made by members among themselves.

Mr. President, I have before me a transcript of sworn testimony regarding

the letter, in which the chairman of the subcommittee on the House side said:

My understanding was, it was an agreement.

Someone said Representative TABER agreed they were to get \$420 million. Here is Representative TABER's testimony saying that he made no such commitment; that he said no such thing as that.

Mr. President, here is the sworn testimony of the man who signed this letter. He said that when he dictated the letter and when the first draft appeared, those words "by the three members present" were not in the letter. He stated that after he finished dictating, Mr. Shaw came along and said he thought we should put those five words in there.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. CASE of South Dakota. Mr. President, I note in the Senate hearings at page 30 that Mr. Shaw stated as follows:

Yes, sir; that is the way I remember the situation to be. We met with the three Members of the House of Representatives for the purpose of trying to see whether or not they would be willing to allow us to utilize the \$420 million that is under question.

The Senator from Louisiana has made quite a study of this matter. Most of us are limited to what we have heard this afternoon. I should like to ask the Senator, from his study of the question, what Mr. Shaw meant when he said:

Wet met with the three Members of the House of Representatives for the purpose of trying to see whether or not they would be willing to allow us to utilize the \$420 million that is under question.

Why should Mr. Shaw have come up to see whether or not the committee would allow them the use of the \$420 million?

Mr. LONG. Let me answer the question by reading from the transcript, which is not yet in print, with regard to the testimony in this item. Mr. TABER was examining Mr. McNeil with regard to this issue:

Mr. TABER. On page 164 of these hearings, and there is a copy in front of you, there appears to be a statement on your part, in the middle of the page, indicating that the Bureau of the Budget did not want to release the seven-hundred-odd million dollars unless Mr. Hensel got clearance from Mr. TABER.

Mr. Shaw will contend that only \$420 million was involved. But there was more than that. Seven hundred and thirty-three million dollars was involved.

Mr. CASE of South Dakota. As I understand, there was \$420 million under the so-called agreement which they did not agree to, but there was \$312 million to which they agreed they would interpose no objection.

Mr. LONG. That is correct. What is more, it is my understanding that this was involved in the appropriation bill. This was \$420 million which they were going to lose unless they could get an amendment to increase the amount in the bill on the House side by \$420 million.

It was important to know the amount of money which remained from the previous appropriations, because naturally, based upon the number of millions of dollars which remained, it would then be possible to determine what additional amount they should have.

If they had \$412 million on hand, which they did not need, perhaps we should appropriate \$412 million less, in view of the very complete flexibility of the program.

Mr. CASE of South Dakota. Would the Senator say that the coming of Mr. Shaw and General Moore to the members of the House Committee on Appropriations—and I use Mr. Shaw's words—"to see whether or not they would be willing to allow us to utilize the \$420 million," constituted recognition that they needed to get permission from the House before they could use the money in that way?

Mr. LONG. It is fairly easy to understand what the picture was. The House was trying to determine the amount of money which should be appropriated for foreign aid this year. The House had the good judgment to ascertain the amount of money which was already on hand for that purpose. Therefore, the Bureau of the Budget was in touch with the House committee while the funds were being committed, because the House wanted to know the amount of money which was on hand at that time.

Naturally, the Bureau of the Budget realized that the procedure which permits one to avoid the expiration of unobligated appropriation by merely reserving it was a procedure which was capable of explanation by all sorts of budgetary devices.

I assume the Bureau of the Budget was conscientious in not wanting to use this procedure as a device or scheme to avoid the intention of Congress that the reserve procedure should be used somewhat in the same manner as the obligation procedure is used. Therefore, the Bureau of the Budget wanted to know the attitude of the House Committee on Appropriations, apparently.

Mr. CASE of South Dakota. To sum up, would this be a fair statement, in the opinion of the Senator from Louisiana: That both the persons from the office of the Assistant Secretary of Defense and the members of the House Committee on Appropriations were seeking to proceed in good faith; that the representatives from the Department of Defense came before the House Committee on Appropriations and asked for their approval. They did not get it, but they got a clear statement it would be all right to utilize \$312 million?

Mr. LONG. That it would be perfectly all right to go ahead with the \$312 million.

Mr. CASE of South Dakota. But not with \$420 million. Despite the fact that the representatives of the Department of Defense came before the House committee to ask for that permission, but did not get it, the Department then proceeded to utilize the \$420 million in a way for which they did not get approval.

Mr. LONG. That is correct. By that means, they proceeded to get \$420 mil-

lion which was not intended to be used by them.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. SALTONSTALL. I do not wish to prolong the discussion, but I may say to my friend, the junior Senator from Louisiana, for whom I have great respect, and in whom I have confidence, that, as I see the situation, it is simply this: We are speaking of honorable Members of the House. I want to consider them as such. One is my close personal friend. On the other side, we are dealing with 3 or 4 perfectly honorable men who have made a contrary statement.

We cannot appropriate money on the basis of a verbal disagreement between two groups of honorable men. Therefore, the only thing the Senate can do is to reinstate the amount in full. We cannot have \$300 million of it considered as being right by one group, and \$100 million considered as being right by another group. Either it is all right or it is all wrong. In any event, there should not be verbal agreements or understandings between the Bureau of the Budget and Members of Congress. Therefore, since honorable men are involved on both sides of the question, all we can do is to reinstate the amount and discuss it in conference.

Mr. LONG. Let us consider this matter from a slightly different point of view. There was a backlog of \$8,717,000,000. That is a large sum of money to be carried in a backlog. In order to carry over such a tremendous backlog, it was necessary to take advantage of the new reserve procedure. It was not possible to do that unless approval could be obtained from certain members of the House Committee on the Bureau of the Budget. So representatives of the Department told the Bureau of the Budget they had received the approval, when, as a matter of fact, they did not have such approval.

The House committee said, in effect, "That being the case, you have \$420 million which you should never have had, because that amount should have gone back under the stipulation in the law that unless the money can be obligated, it must revert to the Treasury." The House committee was saying, "You have \$420 million more than we think you should have, so we will give you \$420 million less." That makes good sense. That is the issue which is involved.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. CASE of South Dakota. I make this statement because reference has been made to the characters of honorable persons who are involved. Twelve of the years I served in the House were with two of the persons involved, namely, Representative TABER and Representative WIGGLESWORTH. I served with them, I may say, on the subcommittee which handled the first appropriation for aid under the Marshall plan, in 1948, I believe it was, or approximately then.

I have known Mr. McNeil for many years.

I knew General Moore for a great many years when he was legislative liaison for the War Department, at the time when I was a member of the Subcommittee on Appropriations dealing with that department.

All of the persons concerned are honorable men.

Personally, I do not see how the issue revolves upon whether the agreement was between the representatives of the Government department and the members of the Committee on Appropriations.

Mr. LONG. The Senator from South Dakota is making a speech. I shall be glad to yield to him if he wishes to ask a question.

Mr. CASE of South Dakota. Will the Senator indulge me for a minute, because of the comment he made upon the issue I had raised?

I do not think it is necessary to resolve the issue on the basis of whether some persons were honorable and others were not. So far as I know, there were honorable men involved on both sides of the question.

But if as a result of the visit by the men who came before the committee to get permission to do something which they did not get permission to do, the action was taken in any event, then I think Congress can act and say that the \$420 million should be newly justified if it is to be appropriated.

But if it is not possible to make a justification for the amount sought, I do not see any reason why we should reinstate it in the bill simply on the question whether the agreement was between them or simply on the part of the members of the House Committee on Appropriations.

Mr. LONG. That is my feeling; \$420 million had been on hand, some of it, since 1952. It had not been obligated or even reserved under the new reservation provision. In other words, the Secretary of Defense had not even told the Secretary of the Army to place the orders for the certain number of guns, tanks, and end items to be purchased with funds in question.

The money was on hand. The \$420 million, not having been obligated in all those years should have been subject to restudy. The money should have gone back to the Treasury. If it was decided that it was needed after all, a justification should have been made for it, because years have gone by when most of the military aid to Europe was voted.

Nowadays we agree that the European situation is in pretty good shape, so very little money is being asked for Europe. But huge unexpended balances are on hand for Europe—almost \$5,500,000,000, I understand. It would be well to have the funds which have not been obligated or which have not been spent returned to the Treasury. Then Congress could examine into the question again and determine whether the funds should be spent.

That is true of the \$420 million here in question.

With regard to the general issue, this is a question of how far Congress wants to go—pile funds on top of other funds,

and in continuing to permit the practice of the loose procedures by Government agencies to enable them to carry over huge unexpended balances.

We have on hand \$8,717,000,000, with new funds recommended of \$2,638,000,000, a grand total, as recommended by the House, and as brought to the Senate by the House, even if we agree to the House language, of \$11,355,000,000, providing \$2,638,741,000 on top of the other funds of which amount \$2,700,000,000 is not obligated, but merely reserved—and those reservations can easily be changed—with \$4 billion obligated.

The record shows that even this obligated money can be deobligated, and some of it has been deobligated as much as seven times.

With all these vast sums of money on hand, why should we provide an additional \$402 million, which in effect would be \$402 million to make good obligations in the form of reservations which were made on the last day of the year, when the Department was pumping money in all directions at the rate of \$125 million an hour, so that the money could be carried over although it could not be justified, and when the Department had been told by Congress that it had a given amount of time to obligate the money; otherwise, it should go back to the Treasury?

For that reason I am convinced that there was a commitment on the part of the Department of Defense that \$420 million of the appropriation which had been carried over from year to year should be surrendered, and that the amount should be justified again in the future if it were to be expended.

Therefore, it seems to me there has been a larger balance carried over than was intended, and certainly a higher balance than the House committee understood to be intended.

There will be available and on hand \$2,638,000,000 of new money in addition to \$2,704,000,000. That is merely a reserve and not obligated. That is money which can be transferred by a mere change of mind on the part of the Secretary of Defense. He can take it from one category and put it into another any time he so decides. There is a total of over \$5 billion out of the \$11 billion unexpended which may be expended in the way the Secretary of Defense provides.

If we should make a mistake in failing to give money or give our resources to a certain nation which might need them, we shall certainly be in session again next year to study the request of any nation and ascertain wherein we had failed or overlooked the opportunity to help a particular ally.

SECRETARY OF THE AIR FORCE HAROLD E. TALBOTT

Mr. MORSE. Mr. President, I rise to pay my disrespects to the Secretary of the Air Force, Mr. Talbott. By way of introduction to my speech, I ask unanimous consent to have printed in the RECORD at this point a news story written under the byline of one of the most able reporters in America, W. H. Lawrence,

which appeared in the New York Times of Thursday, July 21. I also wish to have an article which appeared in tonight's Washington Evening Star on the Talbott hearing of today written by another able reporter, James Newton, printed in the RECORD. These two articles show the lack of sensitivity of Mr. Talbott to the ethical obligations he owes to a position of public service. I ask unanimous consent to have the two stories printed in the RECORD at this point.

There being no objection, the news stories were ordered to be printed in the RECORD, as follows:

[From the New York Times of July 21, 1955]

TALBOTT PUSHED FIRM'S BUSINESS, LETTERS INDICATE—SENATE GETS CORRESPONDENCE OF AIR SECRETARY SHOWING HE SOUGHT TO AID MULLIGAN—PUBLIC HEARING WEIGHED—OFFICIAL REPORTED PONDERING SEVERING RELATIONS WITH NEW YORK COMPANY

(By W. H. Lawrence)

WASHINGTON, July 20.—Senate investigators have correspondence and documents purporting to show that Harold E. Talbott actively promoted from his Pentagon office new business for a New York industrial engineering firm.

The Secretary of the Air Force has continued to share in the firm's profits while in office.

It was reported that Mr. Talbott had under consideration a suggestion that he offer to sever all connections with the Mulligan company for the future. However, members of the subcommittee said no such proposal had as yet been advanced.

A series of letters to industrialists—many of them written by Secretary Talbott on Air Force stationery—were circulated this afternoon to members of the Senate Permanent Subcommittee on Investigations. They bore a confidential stamp.

Secretary Talbott already has denied to the subcommittee that there was anything illegal or unethical about his acknowledged continuing association in Paul B. Mulligan & Co., a New York firm, which specializes in clerical efficiency studies.

A SPECIAL PARTNER

Before he was confirmed in January 1953 Mr. Talbott advised the Senate Armed Services Committee that he would remain a special partner in the Mulligan firm. But he said he would otherwise sever all business connections.

The Investigations Subcommittee is awaiting further communications from Mr. Talbott before deciding whether to hold public hearings on the case. The subcommittee, a branch of the Senate Committee on Government Operations, is headed by Senator JOHN L. McCLELLAN, Democrat, of Arkansas.

When asked tonight whether he had any comment to make regarding the correspondence in the possession of the subcommittee, Secretary Talbott told a Times reporter:

"I don't want to talk to you. I don't care what you print. I have nothing to say."

Mrs. Talbott took the telephone from her husband and said to the reporter, who had been instructed to inform the Air Secretary of the story out of courtesy.

"It is a pretty snide, low, sneaking group that has done this. My husband is tired. Don't you call him anymore."

At issue is the question of whether Mr. Talbott may have violated the spirit or letter of the conflict in interests laws.

The letters, taken from the files of the Mulligan Co. by committee investigators, show that Mr. Talbott wrote or telephoned to prominent industrialists after he became Air Force Secretary. The letters suggested

We cannot expect such a person to occupy a policymaking position in the Government and, when a matter involving his company or his selfish economic interest comes up, not be influenced by his business connections. It is fakery to pretend that he can fulfill his conflict of interests obligations if he just steps aside and allows some deputy or subordinate to pass judgment on it. It defies common sense to pretend that when he turns over to a subordinate the negotiating of a contract with his own company or industry that deputy or subordinate will not at least be confronted with the temptation of doing what he well knows will serve the selfish interest of the w. o. c. who is working with him in the same Government office. The Comptroller General has warned us that such abuses are being discovered by his investigators. We should put a stop to the corruption of our Government by such practices by w. o. c.'s. Likewise in order to protect the people of the United States in their right to clean government, we should put an end to the placing of persons such as Talbott in positions of administrative power.

Of course, I think Talbott should be removed forthwith from the position of Secretary of the Air Force, because I think his entire record shows that he has not overcome his insensitivity to his obligations in connection with the intent of the statute which relates to the conflict-of-interest problem. He shows that he is the kind of a person who is willing to use his Government position to further his own economic interests. He impresses me as being a cheat.

Mr. President, I read further from my speech in the Senate on February 4, 1953:

I should think we would be better students of human behavior than to assume that association does not breed intimacy, that association does not result in the creation of very many intangible psychological factors of which I think we can take judicial notice—factors which are bound to play a part when former officers of great corporations come to pass judgment upon negotiations and proposed contracts to be entered into with such corporations headed by men who, in the past, were their colleagues. We ought to be on guard against such temptations. That is why the burden of my argument in the other cases, as in this one, has been directed so much to the matter of the indirect interests and influences which motivate human behavior. These men are human.

Mr. Talbott stated at the second hearing: "In my previous appearance before the Armed Services Committee, I disclosed my holdings in business which now have, or reasonably may have, dealings with the Department of Defense. At that time I did not appreciate fully the fact that my holdings in two of the companies involved—namely, Chrysler Corp. and Electric Auto-Lite Co.—would be of moment in the consideration of my availability for the position of Secretary of the Air Force."

Mr. President, if that is not insensitivity to ethical obligations I do not know how to define the term. Certainly he is not naïve; and the very fact that he did not have the sensitivity to recognize the potential danger of a conflict of interest by holding on to his corporate holdings in my judgment disqualified him from being confirmed in that nomination. It

is one of the controlling reasons why I voted against confirming his nomination.

In that connection, I said on that occasion:

I am surprised that he did not. I am surprised at such naivete. I am surprised that he thought that question would not be raised. He leaves me with the impression, as I read his testimony in cold print, that he thought this nomination would glide through the Armed Services Committee without any question being raised. He was disillusioned. Questions were raised. I think what he does not fully appreciate is that questions will continue to be raised so long as he occupies that post. It is that insensitivity about him that bothers me in connection with this nomination.

Mr. President, that was Mr. Talbott's pattern of behavior on that occasion, when he was caught under examination in the Armed Services Committee. Thereafter he came back a second time, and said, "All right; I will withdraw from these corporate connections."

Mr. President, at the present time Mr. Talbott is following the same pattern. It is being pointed out now that his participation in connection with the Mulligan partnership has again raised a violation on his part of the spirit and intent of the conflict-of-interest statute. Now he says, "I will now withdraw from that partnership, if you Senators want me to do so." It was unethical for him to remain in that partnership while he has been serving as Secretary of Air particularly in view of the undue influence he has sought to exercise over contractors.

Mr. President, let me say, as I close my remarks, that in this case we are dealing with a man who does not have the sensitivity which guarantees to the American people a clean government under his administration of the Air Force. He should be removed from office; he should be cleaned out. I announced in the first place that his nomination stinks; and I wish to say that, in my judgment, the odor is still just the same odor that does violence to clean government in the United States that I detected in 1953 when his nomination was before us. I have never known these individuals of black and white color to change their stripes. His odor remains the same; and he should be removed from office.

MUTUAL SECURITY APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The question is on agreeing to the second committee amendment.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, we are about to vote on the pending amendment. I merely wish to invite the attention of Senators to the fact that the only issue involved in this vote is with respect to military assistance. It has nothing whatever to do with the question of direct forces support or defense support, which question was discussed a while ago by the distinguished Senator from Illinois [Mr. DIRKSEN] and the distinguished acting majority leader.

In the Washington Evening Star for Wednesday, June 22, 1955, appeared an article reading as follows:

UNITED STATES FINDS \$100 MILLION IN OWN ARMS IN VIETNAM

SAIGON, SOUTH VIETNAM, June 22.—The United States has uncovered a \$100 million surplus of its arms, equipment, and munitions in South Vietnam and is shipping it to American defense installations in the Pacific, usually reliable sources said tonight.

The mountain of military materiel is made up of guns, tanks, bombs, bullets, cannon, transportation and electronic equipment handed over to France in the last years of the Indochina war.

The continuing inventory of these contributions, which reached a \$1 billion a year peak toward the end of the war, has only scratched the surface so far. The surplus being reclaimed by the United States is moving from the port of Saigon to American bases in the Philippines, Formosa, South Korea, and Japan.

So far \$25 million worth has been loaded into American-owned transport ships based in Japan and moved elsewhere.

After the huge inventory has been completed there still will remain enough military "hardware"—the arms and explosives needed in war—to supply the Vietnamese armed forces as well as those of the neighboring states of Cambodia and Laos.

The process of inventorying these American donated munitions and supplies is the chief job of the small military aid and advisory group under the direction of Lt. Gen. John O'Daniel, who also is responsible for the training and reorganization of the Vietnamese armed forces.

The reorganization program originally called for the reduction of the 217,000-man army to 100,000 by the end of this year. The Vietnamese now have asked the United States and France to revise that figure upward to 150,000.

At this point I wish to place in the RECORD an excerpt from the testimony of Mr. Dulles before the subcommittee of the House Committee on Appropriations. It is found on page 8 of the House hearings. This testimony confirms information contained in the article from which I have read.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DISPOSITION OF AMERICAN EQUIPMENT IN INDOCHINA

Mr. GARY. What is the situation with reference to American property in Indochina now and the property that we gave to the Indochinese Government?

Secretary DULLES. We gave it in the past primarily to the French Government for use in the French Union forces, which at that time included the forces of Vietnam, Laos, and Cambodia. That equipment, such of it as was then in the northern area, was salvaged—a very effective job was done in getting it out—and taken down south to Saigon and is now being employed primarily for the reequipping of the Vietnamese National Army, and will be used to some extent for

the forces of Cambodia. The French are pulling their troops out fairly rapidly, at a rate which I think is about 10,000 a month, and we are having to equip the troops of Vietnam as the French go out. Much of that equipment used by the French is now being left behind by the French and being taken over and used by the Vietnamese. So that we do not have any particular item in MSA for hardware for Vietnam, because that is already there.

Mr. GARY. Did you have any substantial losses of equipment to the Communists in Indochina?

Secretary DULLES. No. Some was lost in the Battle of Dien Bien Phu; but, as far as the evacuation of the Tonkin Plateau is concerned, it was all gotten out.

Mr. GARY. What is your opinion of the statement made this morning, I believe it was, by the Russians with reference to some sort of new alliance between India, China, and Russia?

Secretary DULLES. I heard there was such a statement; I have not actually seen it. I would be quite surprised if India went into any alliance with Russia or China.

Mr. GARY. I think the same statement carried with it some implication or some assertion that they wanted a solution of the Formosan question.

Secretary DULLES. Well, we know that is the case. Of course we all want a solution.

Mr. ELLENDER. Also, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excerpt from the hearings before the Senate Appropriations Committee, beginning on page 176, in the testimony of Mr. McNeil, showing the recovery of vast amounts of war materials in Indochina, which materials are being made available to the various countries we are now assisting in southeast Asia.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCESS MATERIAL IN INDOCHINA

Senator ELLENDER. I brought to the attention of the committee the other day that I read a recent newspaper item stating that there was found over \$100 million of hardware that you did not know you had in Indochina alone. Will you tell us the circumstances of that?

Mr. McNEIL. I believe I can.

Senator ELLENDER. I wish you would

Mr. McNEIL. During the difficulty in Indochina last year, because it was a very dangerous, ticklish situation, every effort was made to provide the Vietnamese and the French with enough material so they could do a job. When the settlement was made, really dividing Indochina as of present, there was some equipment on the way, and some of which had actually been put ashore in south Indochina which was no longer needed.

A part of that was moved to Formosa to beef up and strengthen the Government of the Republic of China because of the trouble in the Formosa Straits in the last several months.

We think there is additional material there that can be made available.

Senator ELLENDER. Why do you say think? Do you not know?

Mr. McNEIL. We haven't completely identified the different amounts by the different items of equipment. We hope to get some salvage and move it to other areas of the Far East, move it there, or help to take care of the requirements in Korea and Formosa.

Senator ELLENDER. In making up your requirements, in requesting these additional funds, did you know of the existence of these goods?

Mr. McNEIL. Yes, sir.

BUDGET FORMULATION

Senator ELLENDER. When did you make your budget? I thought you made it a year in advance?

Mr. McNEIL. Really it was brought together last December.

SURPLUS MATERIAL IN INDOCHINA

Senator ELLENDER. When was this material found?

I thought it was just a few months ago?

Mr. McNEIL. No; we knew of the existence of a substantial amount of equipment last July, soon after the Geneva Conference, when the decision was made to temporarily at least partition Indochina or separate the south from the north Indochina.

In fact, in that month some material was diverted that had not yet arrived. I think that has been watched rather closely and we recovered some.

Now, we have a problem in that when we get that material, some of it is not in good shape. Some of it is out in the weather; some of it has been used. Perhaps some of the equipment is excess to the size of the new Vietnamese Army.

That has to be all reworked. The cost of the reworking of that comes out of funds we had planned to use for other purposes. By doing so, however, we can help fill some other requirements.

AMOUNTS USED FOR NATO COUNTRIES

Senator ELLENDER. Now, could you tell us what proportion of the entire amount that you are now talking about, that is the \$18 billion-plus, was utilized for Western Europe to assist NATO countries? Please indicate whether that includes Turkey and Greece.

Mr. McNEIL. While Mr. Shaw is looking up the answer to your question, I would say, for example, that some of the equipment that we knew of and recovered from Indochina as excess will help provide equipment for the forces in the Associated States, such as Cambodia and Laos.

In answer to your question, Senator, of the total program, \$13 billion was for Europe, of which \$7.8 billion has actually been accomplished and \$5.24 billion remained to be accomplished as of January 1955.

Mr. ELLENDER. The question of economic aid by way of direct force support, defense support and development assistance will come before the Senate later in the evening. I repeat that the amendment on which we are now called upon to vote deals solely with military assistance. If the amendment which is pending is defeated, it will mean that \$705 million will be added to the present "kitty" of \$6,500,000,000, instead of \$1,125,000 as recommended by the Senate Appropriations Committee.

Mr. LONG. Mr. President, will my colleague yield for a question?

Mr. ELLENDER. I yield.

Mr. LONG. The Senator realizes, of course, that the amendment involves \$400 million and relates to the fact that there is on hand under this title about \$5½ billion of unexpended money. In order to carry over the \$5½ billion, it was therefore necessary to resort to a certain amount of fiscal wizardry to carry the additional \$400 million. Is that correct?

Mr. ELLENDER. I wish to state that there is in this military aid kitty at the present time \$6½ billion to carry over, \$5 billion of which is for Western Europe.

Mr. LONG. On this particular item, for this purpose, there is already available \$6½ billion. Is that correct?

Mr. ELLENDER. Yes; \$6½ billion. If the House figure is adopted, we will add to the \$6½ billion, \$705 million more.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. A vote "yea" is a vote in support of the committee amendment; a vote "nay" is a vote in support of retaining the House figure. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], and the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote the Senator from Delaware [Mr. FREAR] has a pair with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Texas would vote "yea."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE] and the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent, and, if present and voting, he would vote "yea."

The Senator from Nevada [Mr. MALONE] and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The result was announced—yeas 50, nays 38, as follows:

YEAS—50

Aiken	Hayden	Neely
Allott	Hennings	Neuberger
Barkley	Hickenlooper	O'Mahoney
Beall	Hill	Pastore
Bender	Holland	Payne
Bennett	Humphrey	Potter
Bridges	Ives	Purtell
Bush	Kefauver	Saltonstall
Butler	Kilgore	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case, N. J.	Kuchel	Sparkman
Clements	Lehman	Stennis
Cotton	Martin, Iowa	Symington
Dirksen	McCarthy	Thye
Douglas	McNamara	Watkins
Duff	Millikin	Wiley
Green	Morse	

NAYS—38

Anderson	Eastland	Langer
Barrett	Ellender	Long
Bible	Ervin	Mansfield
Bricker	Fulbright	McClellan
Byrd	Goldwater	Monroney
Capehart	Gore	Mundt
Case, S. Dak.	Hruska	Murray
Chavez	Jenner	Robertson
Curtis	Johnston, S. C.	Russell
Daniel	Kennedy	Schoeppel
Dworshak	Kerr	Scott

Smathers
Thurmond

Welker
Williams

Young

NOT VOTING—8

Flanders
Frear
George

Jackson
Johnson, Tex.
Magnuson

Malone
Martin, Pa.

So the committee amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD following the vote a state-

ment of military assistance fund availability and planned use.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement of military assistance fund availability and planned use

[In billions of dollars]

	Total appropriation, 1950-55	Net transfers to other than military programs and rescissions and lapses	Available for military programs	Expended to June 30, 1955, i. e., services rendered and materiel delivered	Carryover of unexpended balance, June 30, 1955	Direct obligations against unexpended carryover	Reservations, i. e., orders upon military departments with obligations by them for common items	Carryover of unobligated funds
1950 to 1955 fund availability.....	20.2	1.7	18.5	12.0	6.5	1.8	4.7	.034
1956 unobligated carryover.....								.034
1956 budget requirements:								
I. Administrative expenses.....				.024				
II. Protection of investment:								
Maintenance and spare parts.....				.325				
Training.....				.105				
Packing, crating, handling, and transportation.....				.144				
III. Commitments:								
Support of international military headquarters.....				.005				
Infrastructure.....				.122				
Military assistance commitments.....				.330				
IV. Projects for improvement:								
Mutual weapons development.....				.050				
Facilities assistance.....				.020				1.125
If 1956 request of \$1,125 billion is approved, additional program and obligational authority would be.....								1.159
Breakdown of unexpended but obligated and reserved balance by classification of effort:								
A. Equipment and supplies:								
Common items.....				4.70				
Offshore procurement.....				1.30				
Navy shipbuilding.....				.03				
B. Services:								
Training.....				.11				
Packing, crating, handling, and transportation.....				.09				
Supply operations.....				.06				
Facilities.....				.03				
Mutual weapons development.....				.04				
International military headquarters.....				.01				
Infrastructure.....				.16				
Administrative expenses.....				.01				
Total.....					6.5			

¹ Excludes local currency generated under sec. 550, Public Law 165, and sec. 402 Public Law 665.

NOTE.—Military assistance: A reduction of \$420 million in the President's request of \$1,125 million for military assistance would result in reductions in our programs for maintenance and spare parts (\$100 million), training (\$25 million), packing, crating, handling, and transportation (\$30 million), military assistance commitments (\$220 million), mutual weapons development (\$30 million), and facilities assistance (\$15 million).

Mr. McCARTHY. Mr. President, I send to the desk an amendment and ask that it be read, and I ask for its immediate consideration.

The PRESIDING OFFICER. The Chair would advise that the committee amendments should be first considered.

The clerk will proceed to state the next committee amendment.

The next amendment was on page 2 in line 9, after "(a)", to strike out "and in addition not to exceed \$33,900,000 of unobligated and unreserved funds heretofore appropriated under authority of section 103 (a) (1) of the Mutual Security Act of 1954, as amended, are continued available until June 30, 1956, for the purposes of section 103 (a) (2)."

The amendment was agreed to.

The next amendment was, on page 2, line 15, after the figures "\$305 million" to insert "and in addition \$12,200,000 for additional assistance to Formosa and Thailand."

The amendment was agreed to.

The next amendment was, on page 2, line 18, after "131 (c) (1)", to strike out "\$70 million" and insert "\$85,500,000", and in the same line, after the amend-

ment just above stated, to insert a colon and the following proviso:

Provided, That at least \$50,000,000, on a grant basis, shall be made available for assistance to Spain exclusive of technical exchange: *Provided further*, That not less than \$22,000,000 of the amount available for Spain shall be used for agricultural commodities.

Mr. ELLENDER. Mr. President, I have two amendments to offer on the defense support item. As it will be noted in the bill, there is defense support for Europe, defense support for the Near East and Africa, and defense support for Asia. One of my amendments seeks to strike from these various defense support items 25 percent of the amount recommended by the Senate Appropriations Committee.

I also have an amendment which affects the item for development assistance, Near East and Africa, and which seeks to cut by 25 percent the amount recommended by the committee.

In order that time may be saved—it is growing late and I know that Senators are anxious to get through with the bill—I ask unanimous consent that my amendments be considered en bloc be-

The major effects of such reductions would be (1) curtailment during fiscal year 1956 in essential training and in the delivery of equipment, maintenance items, and spare parts, (2) commitments or agreements with certain foreign governments will not be honored, and (3) the mutual weapons development and facilities assistance programs would be reduced drastically. Consequently these would be a serious decrease in the effectiveness of the combat forces or their essential supporting forces being supported by the military assistance.

Vol. 1 of mutual security program fiscal year 1956 summary statements, pp. 30 and 31, revised, give the obligations and expenditures for the program as a whole.

cause, as I have said, they affect all the amounts which are provided for defense support in Europe, defense support in the Near East and Africa, defense support in Asia, and development assistance in the Near East and Africa.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LANGER. How much will the sum be?

Mr. ELLENDER. My amendments seek to reduce the amounts recommended by the Committee for the various items, by a total of \$274.9 million.

The PRESIDING OFFICER. One of the Senator's amendments is not an amendment to the committee amendment.

Mr. ELLENDER. That is correct.

Mr. President, I ask that my amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HAYDEN. What does the Senator propose to do? There is pending before the Senate now the item providing de-

fense support for Europe, for which the House allows \$76 million, and our committee allowed \$85 million. What does the Senator wish to do about that?

Mr. ELLENDER. My amendments would reduce the amount recommended by the committee by 25 percent.

Mr. HAYDEN. Why not move to strike out \$85 million and insert \$64 million?

Mr. ELLENDER. That is the way the amendment is worded. The next item, which relates to \$50 million for Spain, would be cut 25 percent. It is tied in with the first amendment covering defense support for Europe.

The item for defense support in Asia as contained in the committee bill is \$127,800,000, and my amendments seek to reduce this by 25 percent. In other words, each item of defense support is to be cut 25 percent, and in the case of development assistance for the Near East and Africa, that is likewise cut 25 percent.

I thought that in order to save time, we might vote on the amendments en bloc. Otherwise, there would probably be four yea-and-nay votes.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Will it not be necessary for us to have an agreement that we vote on the several committee amendments en bloc? Otherwise, we would be in a position of having first to consider each of the committee amendments.

The PRESIDING OFFICER. The amendments offered by the Senator from Louisiana [Mr. ELLENDER] will be stated.

The CHIEF CLERK. On page 2, line 18, it is proposed to strike out "\$85,500,000" and insert in lieu thereof "\$64,000,000."

On page 2, line 19, it is proposed to strike out "\$50,000,000" and insert in lieu thereof "\$37,500,000."

On page 2, line 21, it is proposed to strike out "\$22,000,000" and insert in lieu thereof "\$16,500,000."

On page 2, line 25, and page 3, line 1, it is proposed to strike out "\$113,700,000" and insert in lieu thereof "\$85,300,000."

On page 3, line 1, it is proposed to strike out "\$26,200,000" and insert in lieu thereof "\$19,700,000."

On page 3, line 4, it is proposed to strike out "\$827,800,000" and insert in lieu thereof "\$621,000,000."

On page 3, line 11, it is proposed to strike out "\$73,000,000" and insert in lieu thereof "\$54,800,000."

Mr. DIRKSEN. Mr. President, I must object to the unanimous-consent request of the Senator from Louisiana. For one thing, I think it would confuse the Senate. In the interest of orderly procedure, the amendments should be considered singly. I doubt that it will take any more time.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on these amendments.

The yeas and nays were not ordered.

Mr. BARKLEY. Mr. President, is the Senator offering amendments to the original text of the House bill, or to the amendments of the Senate committee?

Mr. ELLENDER. They are amendments to the Senate committee amendments.

Mr. BARKLEY. Are they all amendments to the Senate committee amendments?

Mr. ELLENDER. That is correct, except the one relating to development assistance, on page 3, line 11.

Mr. BARKLEY. Is the Senator proposing to amend the amounts provided in the committee amendments?

Mr. ELLENDER. By reducing them 25 percent; that is correct.

The PRESIDING OFFICER. The question is on agreeing to the first amendment offered by the Senator from Louisiana to the committee amendment on page 2, line 18, to strike out "\$85,000,000" and insert in lieu thereof "\$64,000,000."

Mr. ELLENDER. Mr. President, were the yeas and nays ordered?

The PRESIDING OFFICER. The yeas and nays were not ordered; there was not a sufficient second.

Mr. ELLENDER. I renew my request for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I shall discuss at this time all of my amendments, so that after my general statement, each amendment may then be voted upon one after the other and thereby save time.

The purpose of the first amendment I have offered is to reduce defense support in Europe by 25 percent—that is, a reduction of 25 percent from the Senate committee figure of \$85,500,000. In order that the amendment may conform to the proviso which was added by the Senate committee earmarking a specific sum of the European defense support funds for Spain, my second amendment reduces by 25 percent the amount which would be earmarked for Spain, and likewise, my third amendment reduces by 25 percent that part of the amount earmarked for Spain which must be used for agricultural commodities.

My fourth amendment relates to the item for defense support in the Near East and Africa, for which the Senate committee provided \$113,700,000. My amendment seeks to lower this amount to \$85,300,000, a 25 percent reduction.

There is a provision in the committee amendment covering defense support for the Near East and Africa, to the effect that of the sum of \$113,700,000, \$26,200,000 is earmarked for Greece. In order to conform with my proposed 25 percent overall cut, I have offered a fifth amendment under which the amount of \$26,200,000 is also reduced by 25 percent.

In respect to the item for defense support in Asia, the sum provided by the Senate committee, \$827,800,000, would be cut to \$621 million, or a reduction of approximately 25 percent, by a sixth amendment which I am proposing.

Likewise, for development assistance, Near East and Africa, for which the House provided \$73 million, and the Senate made no change, I am suggesting a 25 percent reduction, or a total amount of \$54,800,000 for development assistance in the Near East and Africa.

As I indicated a while ago in my opening statement, the pending bill contains two categories of economic aid—defense support and development assistance. They are basically the same, in that they both afford economic aid, pure and simple. Defense support is economic aid which goes to the nations which maintain armed forces, whereas development assistance is for nations which do not maintain defense forces. Otherwise, the purposes of the funds are the same.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a statement by Secretary of State Dulles, in which he differentiates among the various support programs.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEFENSE SUPPORT

Then there is the other quarter of the fund, which is the so-called defense support. This is economic aid given to countries which have agreed to maintain a bigger Military Establishment, and we think they should have this Military Establishment, than they can support themselves if their economies are not helped to some extent.

As I indicated in my opening statement, a Military Establishment is not only something which is not productive, but it is, in fact, a subtraction of productivity which otherwise would be available. This manpower, that is recruited and used in armies, is not able to work productively and produce the food, the clothing, and so forth, that they need for themselves. They have to be supported by other people. In some areas, such as Korea, Turkey, Formosa, it is deemed by our military advisers, by the National Security Council, and the President advisable to have the United States help support Military Establishments larger than the countries could support themselves without United States assistance.

So that accounts for the other quarter of the program. The allocation of funds, as I say, is made in terms of two basic decisions: First, is it desirable that the country in question have a Military Establishment of a given size? Second, assuming that it has a Military Establishment of that size, is it able to support it alone, or can it only have a Military Establishment of that size if some help is given? Those two criteria are applied to each country to determine whether and how much so-called defense-support assistance is given.

ECONOMIC AID

That leaves you with the remaining quarter of the program, about \$800 million, which is not covered by either of the standards that I have applied. It is not direct military aid nor is it defense-support aid. It is economic aid unrelated to a military program, but is, nevertheless, deemed desirable in order to help build up the economies of countries which are non-Communist, which are struggling to maintain their non-Communist position, and which can be inspired and helped to do so by a limited amount of economic aid from the United States.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. SMATHERS. I am a little unclear as to whether the amendment which the Senator is now offering proposes to cut the amount for development assistance to Latin-American countries.

Mr. ELLENDER. It does not.

Mr. President, it is my judgment that it is time for us to begin reducing our

foreign economic aid program. If I had my way, I would cut it out altogether. But I know that the temper of Congress today is not in line with my view. However, I do believe, and I urge upon the Senate now, that we should begin to cut back in this category of aid.

The proponents of the full amounts contained in the Senate committee bill have stated, and undoubtedly will continue to state, that these funds must be voted if the foreign nations to which they flow are to remain strong. That may be so, but it is my firm belief that the host country lands should contribute more equitably to the cost of the programs. In addition, since this effort is declared to be necessary in order to strengthen the free world, I think we should obtain assistance from our allies in financing this work. They are well able to give it, and this is, in my opinion, a good time for us to demand it. And the surest method of obtaining their assistance is for the Congress to reduce the amounts of economic aid appropriations that are now before us, and let that serve as notice to our well-to-do allies that from now on we expect them to pick up at least a portion of the check.

Mr. President, as I pointed out in my opening remarks concerning the amendment relating to direct military aid today, all the countries we have assisted in Western Europe are well able to make a sizable contribution toward the development of the Asiatic and African countries.

We now have, as unexpended balances in the 2 categories of defense support and development assistance, more than a billion dollars which is unspent and which will be available for spending in fiscal year 1956. It strikes me that with such a huge amount on hand, added to the amounts which would be provided under my amendments, or 75 percent of the amount recommended by the Bureau of the Budget, ample economic-aid funds will be available to assist our friends.

Senators should bear in mind that defense support is simply a new name for economic aid. The defense-support funds are used in almost the same manner as were Marshall-aid funds. They will be used in order to create counterpart funds, and in the countries where counterpart funds are created they can be spent to develop roads, to build dams, and, in general, to do other things similar to those which were permitted to be done under the Marshall-aid plan.

As I pointed out earlier today, the countries of Western Europe, as well as many countries in the area under discussion, countries which we are seeking to assist, are well able to help themselves.

I have in my hand a clipping from the Christian Science Monitor, dated June 16, 1955, in which appears an article under the heading "New Zealand Prosperity Held Greatest on Record." I visited Australia last year, as well as New Zealand, and I can vouch for the fact that both of these beautiful countries are in a very prosperous condition.

Notwithstanding the prosperity which exists in those countries, and their being located in an area where, if anything

occurs, they would probably be the first to feel the blow, we are being asked to furnish money in order to assist the other nations of that Southeast Asia area, while those who will feel the repercussions as much as, and probably more than, we will, are going to escape without putting up a dime.

Mr. President, I am not going to take the time of the Senate to read the article from the Christian Science Monitor to which I have referred. I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ZEALAND PROSPERITY HELD GREATEST ON RECORD

WELLINGTON, NEW ZEALAND.—How democracy pays off in higher living standards and more amenities was pointed up recently by Prime Minister Sidney G. Holland, of New Zealand's private enterprise National Government.

The New Zealand leader said he was confident his people had never enjoyed greater prosperity than at present. "While I can say that there are difficulties facing New Zealand," he declared, "I can also say with equal confidence that the future, provided no unforeseen problems arise, looks full of promise, and the development that has marked the last 4 or 5 years is likely to continue into the foreseeable future."

JOB VACANCY PROBLEM

As Mr. Holland pointed out, one of New Zealand's most difficult and embarrassing problems was an abundance of job vacancies, presently estimated at about 35,000, and with little prospect of filling them.

Although this South Pacific democracy has an ambitious immigration program in full swing, the addition to the national work force of another 35,000 new workers, would not solve this job vacancy problem.

As some expert opinion has pointed out, the influx of new workers would simply add to demand in every direction and the consequent expansion would open up further job opportunities which would need still more workers.

With a 40-hour week and comparatively high rewards for unskilled labor, the trend in recent years has been toward economic democracy, with class distinctions, never of great significance in this easygoing country, now even more difficult to define.

In New Zealand, where the great bulk of the population lives in individual houses, each with its own garden, any man who does not tend his garden himself or wash his own car is apt to be conspicuous. Custom, now stimulated by the chronic labor shortage, has made do-it-yourself even more truly New Zealand's unofficial national motto. At least, if this situation keeps New Zealanders busy with household chores, it certainly makes for a sturdy independence in the national character.

RECORD PER CAPITA EXPORTS

One of the keys to New Zealand prosperity is its great export earnings from meat, wool, and other farm products. In fact, this country has the greatest export trade per capita of any nation in the world.

This year, New Zealand earnings from wool exports appear set for a new national record, valued at an estimated \$200 million. Britain remained New Zealand's top export market but there was a significant increase in exports to Germany, the Netherlands, and Australia. But exports to the United States declined as well as those to Japan. The bulk of imports, on the other hand, came from Britain and Australia in that order.

The volume of business continued to expand, so much so, that Government revenue

estimates were substantially exceeded. This surplus situation, in the opinion of some experts, suggests that personal taxes will again be cut in the forthcoming budget.

This would make pleasant reading for New Zealanders but the national press contended that this increase in Government revenue, in face of previous tax cuts, was extremely significant.

As one influential daily declared: "The lesson to be drawn from this is that tax cuts in times of development and progress, far from reducing the state's income, tend by stimulation of business and personal spending to generate a larger, not smaller, return to the state coffers." Taxation, it added, remained too heavy in spite of past reductions.

GOVERNMENT SURPLUSES

The surplus in Government accounts, however, means that businesses in search of new capital will not have to compete with Government borrowing in the country's loan market, since the Government has said it has enough in hand from surpluses to tide it over the next 6 months.

The entire subject of Government finance is to be investigated shortly by a Royal Commission on Banking, under the chairmanship of Justice Arthur Tyndall. Principal aims of the investigation will be to find means for "fostering a greater degree of stability in prices, maintaining full employment, ensuring the healthy development of national resources and promoting generally the economic, financial, and social welfare of the people."

Promoting social welfare in this land of extensive social services, might seem like gilding the lily to some less fortunate peoples. For example, New Zealanders are eating more meat than last year with consumption at 217.2 pounds per head and in other directions there was an increased consumption of both goods and services.

On the other hand, New Zealanders do not appear to be making the best use of some major resources. A group of scientists, working independently of the Government, recently stated that New Zealand was wasting much more power than it used.

The group declared there was a 20 percent wastage in generated electricity, an 80 to 85 percent loss in power from coal and a 75 percent loss in the case of oil fuel. Heating in houses, it said, could be halved if dwellings were more efficiently insulated.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. Is it not true that the observations which the Senator from Louisiana is now making happen to be based upon the conclusion he reached as the result of his traveling a good many hundreds of miles in the very area of the world to which he has been referring?

Mr. ELLENDER. Partly.

Mr. MORSE. Am I correct in my understanding that the Senator from Louisiana is not objecting to funds which will be used for loan purposes, but that he is objecting to such a large portion of the funds going into grant arrangements or out-and-out giveaway arrangements?

Mr. ELLENDER. The Senator is partially correct. Another reason for my opposition is that much of the huge sums we provided last year is unspent. As a matter of fact, in one category less than 20 percent has been spent. Yet we are adding more and more to the unspent balances for those countries. It must be remembered that those countries are not as advanced as are the nations in Eu-

rope. It does not require, comparatively speaking, much money to make a start in these underdeveloped countries. They do not have a large industrial capacity. And it must be remembered, too, that we also furnish technical aid or point 4 assistance in that area. Aside from the amounts I am now discussing, we are spending several million dollars to send technicians to that area in order to teach the people who live there our way of doing things. This direct aid, which our planners call defense support, is used in order to implement some of the technical-aid funds. It all boils down to the fact that the amounts requested for this area simply cannot be spent economically.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. MORSE. On the basis of the personal observation of the Senator from Louisiana, did he come away from that area of the world with the opinion that those countries would be willing to take more money under loan arrangements, if we insisted upon more of the money taking the form of loans, and less going for grants?

Mr. ELLENDER. I could not answer that question specifically. I may state that it would depend on the purpose for which the money was to be spent. If the money were to be used for the development of dam sites for electricity, it might be that the foreign countries would contribute, and they might borrow a good deal of the money. However, when it comes to the building of roads, and everyday purposes of that kind, I doubt that we could obtain assistance from them. We have to do the job alone.

Mr. MORSE. Mr. President, will the Senator yield for a further question, and my last question?

Mr. ELLENDER. I yield.

Mr. MORSE. Did the Senator from Louisiana form any opinion as to whether or not we might have opportunities in the part of the world where he traveled to increase American businessmen's investments if we would enact legislation which would guarantee to give them what would amount to some form of the deposit insurance principle, such as we apply to depositors in banks in this country?

Mr. ELLENDER. I have no doubt that American investment capital could be obtained if we adopted some means of guaranteeing those investments; but a climate would have to be created whereby they could be protected from the government of the host country.

Mr. MORSE. That was the point I wished to make.

Mr. ELLENDER. Yes.

Mr. MORSE. I find myself leaning very strongly in the direction of first providing for a greater percentage of loans and a smaller percentage of grants, and also directing our attention to legislation which will work out, shall we say, some form of economic trade treaty between the foreign countries and our own country, whereby American investors could go into those countries and invest their money, and then we would guarantee their investments. Investors

would have to invest with reasonable consideration of treaties, and a controversy arising from any violation of a treaty would be a matter between our Government and the foreign government, but we would keep the American investor whole.

It seems to me we ought to start in that direction by giving consideration to the amendment the Senator is proposing.

Mr. ELLENDER. I think, if the Congress adopted my amendment, it would be on the right track. We are making available to some countries millions of dollars they are not prepared to spend. As a matter of fact, that statement applies to most countries in southeast Asia. I would judge 85 to 90 percent of the people in those countries are engaged in agriculture. It strikes me that much less money should be spent by us there in the light of our own agricultural surpluses. It does not require the amount we are now providing in order to give those people the technical assistance and the other assistance they should have. We could save a great deal of money if we would veto some of the grandiose schemes of our economic aid planners.

My fear is that if the huge sums now proposed are made available, much money will be wasted. I am sure the Senator is aware of the charges which have been made with respect to the Korean aid program. We spent millions of dollars in Korea. The pending bill provides for between \$600 million and \$700 million of various kinds of aid and assistance, military and otherwise, to Korea.

I should like to call attention to an article which appeared in the Christian Science Monitor of June 8, 1955, criticizing the manner and method in which our aid money is being spent in Korea.

The title of the article is "United States Levels Blast at Korea on Aid Program."

I read from the article:

The attack is contained in a document summarizing complaints made by local representatives of the Foreign Operations Administration, the State Department, and the Far East Command.

In the article it is stated that much graft is occurring in Korea because of the huge and unrealistic sums of money put into the hands of persons who, I suppose, never before knew that there was so much money in the world. The same is true in Cambodia, Laos, and other places. We are simply giving these people so much money, it cannot be wisely spent; much of it will be wasted.

So I am trying to have us curtail the amount by 25 percent, in the hope that the money we then provide will be more economically spent. If more is later found to be needed, we should make every effort to get our friends in Western Europe, who are able to assist, to give us a hand, rather than for us to carry the entire load alone, as we have in the past.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. CASE of New Jersey in the chair). Does the

Senator from Louisiana yield to the Senator from Oregon?

Mr. ELLENDER. I yield.

Mr. MORSE. In support of the observations made in the article published in the Christian Science Monitor, let me say that I have in my office a rather voluminous file of correspondence from an American official in Korea, who has a position of considerable responsibility in connection with our aid program there. Before going into the Government service, he had a very responsible background. In his correspondence with me he verifies the point set forth in the article in the Christian Science Monitor, namely, that there is terrific waste in connection with our program; and he supports my position in favor of the making of investments and of loans, rather than grants, to Korea. He began to write to me when I first pointed out the need for working out trade treaties with these countries, so that United States businessmen could make investments there, and so that we would back them up with a guaranty.

Mr. ELLENDER. I thank the Senator from Oregon.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of June 8, 1955]

LONG LIST OF ACCUSATIONS: UNITED STATES LEVELS BLAST AT KOREA ON AID PROGRAM
(By Gordon Walker)

TOKYO.—United States Government agencies in South Korea have come out with an exceptionally strong denunciation of corruption, deliberate sabotage, and general lack of cooperation on the part of the Syngman Rhee government in connection with the administration of United States aid in that country.

The attack is contained in a document summarizing complaints made by local representatives of the Foreign Operations Administration, the State Department, and the Far East Command.

The document is by far the most blistering assault on the Republic of Korea Government's handling of United States aid yet made and formalizes complaints which United States agencies in South Korea have been muttering under their breath for the past year.

Summarizing ROK implementation of the United States South Korean aid agreement, the report charges that the ROK Government has evinced lack of desire to adhere to even the most solemn agreement.

RHEE IN SADDLE

It charges that corruption and inexperience are the norm within government.

It charges the Government with delays in instituting legislative reforms required, and adds that there is waste inherent in the half-hearted manner in which ROK implementation has proceeded.

It explains that highly placed ROK Government officials cater to President Rhee's strong views in reference to such matters as exchange rates, sovereignty rights, and ROK relations with Japan. And it charges that ROK officials are taking advantage of their knowledge that the United States considers Korea highly important in terms of protecting American interests in Asia.

The report then states that because of the situation a total of 41 billion hwan has been

lost as revenue to the government, which the United States has been seeking desperately to put on a firm financial foundation.

Of this sum the report states that 10 billion hwan was lost due to preferential and unrealistic prices placed by South Korea on aid goods from the United States. Loss of foreign exchange loans by preferential and undervalued exchange rates has cut out 9 billion hwan.

Refusal to sell surplus rice has resulted in a loss of 8 billion hwan. Nonsale of foreign exchange has resulted in a loss of several billion. And a ROK boycott of goods which the United States could purchase at low prices in Japan has resulted in a loss of another 7 billion.

DELAYS HIT

The report goes on to charge that South Korea has used certain devices to procrastinate against making it possible for genuine long-term economic growth. Progress in providing ways and means for investment of private foreign capital, according to the report, indicate that the ROK Government has attempted to circumvent this portion of the aid agreement so that the actual result will be to preempt all business in South Korea for South Korean nationals.

Another portion of the lengthy report points out that the ROK Government has effectively sabotaged a United States request that private ownership be pushed in connection with the United States aid program. The report states the ROK Government has deliberately failed to make private enterprise attractive as to price, decontrol, and credit facilities.

By maintaining a scarcity of capital funds and promoting a lack of business confidence the report adds the South Korean Government has assured continued state control of the business economy and especially transportation, power, and mining. Regarding United States efforts to get a reasonable exchange rate through dollar auctions, the report says that the Government has utilized intimidation opposition, and false information releases as a means of sabotaging the auction program.

COUNTERPART FUNDS

The South Korean Government, the report further charges, has refused to abide by the December 22, 1954, agreement relative to orderly counterpart-fund procedure. Instead, the Seoul government has released no counterpart funds for expenditure of items required by the Government. And the Government has furnished no information to the United States concerning actual counterpart-fund holdings.

A long list of other complaints against the Rhee government pertain to such matters as refusal to make purchases of aid products in Japan, interference in sales of United States Army surplus property, evasion of measures recommended by the United States to avoid inflation and to secure a balanced budget, and refusal to send surplus rice to Japan.

In the latter connection, it is pointed out that Japan agreed to purchase surplus rice at \$185 a ton—the price originally asked by the Rhee government. As soon as the Japanese agreed, however, South Korea refused to deliver and jacked the price up \$5 a ton.

SITUATION SUMMARIZED

Observers who have watched the progress of the United States-aid program in South Korea meanwhile are not surprised by the report which merely summarizes a situation that has been steadily deteriorating for the past year.

Many of the specific details of the report have been discussed in the past with United States newsmen by such officials as former United States Ambassador Ellis Briggs and former Far East Commander Gen. John E. Hull.

The feeling throughout the ranks of almost all United States Government personnel, in Korea has been that the aid program is being seriously subverted and that the intended beneficiaries—the Korean people—have not received what was intended by the American taxpayers who foot the bill.

Mr. ELLENDER. Mr. President, I shall not take the time of the Senate to point out in detail where and in what manner all these funds will be spent. However, most of them are to be spent in various areas to build highways, flood control projects and for harbor construction projects and various other purposes—in short, to do the very things we so urgently need in our own country, and for which we provided, I would say only a moderate sum of money, a few weeks ago, when the public works bill was passed by the Senate.

For instance, in the case of Egypt we are going to spend money for highways, waterways, grain silos, irrigation pumping stations, and similar projects. I have compiled a host of similar projects.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a summary in regard to how these funds will be used.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

EGYPT

Development assistance: Amount for fiscal year 1956 included in regional totals only.

The development-assistance program for 1956 will continue to be geared to the country's overall development plan and aim to accelerate efforts toward a more stable economy. The planned activity for fiscal year 1956 breaks down in 4 areas:

(a) Highways: Additional equipment is required to supplement the fiscal year 1955 development assistance financed equipment pool, the expansion of which is designed to accelerate the road program. Major construction will concentrate on the Cairo-Aswan Highway.

(b) Waterways: It is planned to augment the fiscal year 1955 program by adding a floating crane and power shovel for port development improvement.

(c) Grain silos construction is proposed at 2 major centers in order to conserve the estimated 5 percent of domestic annual production now lost by inadequate storage facilities, thereby reducing demands on foreign exchange for grain imports. The project is designed in part to encourage private construction of similar facilities by demonstrating the commercial feasibility.

(d) Irrigation pumping stations and powerplants—these are proposed to open new delta canals to agriculture and improve water use on land now under cultivation. Powerplants will be built to provide power for major pumping stations.

IRAN

Defense support: Total, fiscal year 1956, \$37.5 million.

1. Provide \$17.5 million in rials to meet the local costs of defense construction projects now planned but not undertaken because of lack of financial resources. Foreign exchange costs of common-use items needed for the same projects are to be financed under direct forces support funds.

2. Finance \$3.5 million of local currency requirements for continued technical cooperation projects, which the Iranian Government is not yet in a position to fully support.

3. Provide a budgetary support in the amount of \$16.5 million, thus making a par-

tial contribution to the increased costs of the Iranian Armed Forces (apart from the defense construction projects) and civilian costs contributing to an anticipated budgetary deficit.

4. Defense support aid will be furnished through commodity imports (an estimated \$15.4 million of sugar and wheat and \$221 million in industrial items) which will help to cover the foreign exchange deficit.

ISRAEL

Development assistance: Total, fiscal year 1956, included in regional totals only.

It is planned that half of the development assistance funds will be made available on terms of repayment and that about half of the assistance will be in the form of surplus agricultural commodities. Further attention will be given to the possibility of utilizing funds to encourage projects with regional significance.

JORDAN

Development assistance: Total, fiscal year 1956, included in regional totals only.

The largest portion of the economic aid funds would again be devoted to highway and water development. The north-south system would be further extended and an east-west link provided to join the most populous areas of Jordan. The success of the water development program has resulted in a multitude of requests for assistance in this field of work from farming communities and desert tribes. Current requests, which include offers of contributions to the maximum community capabilities, number 130 for cisterns, 20 for water spreading, 200 for irrigation improvement, and 50 for spring development during fiscal 1956. These requests would be honored to the extent possible under available funds in those cases where engineering examinations reveal them to be practical. There will be greater emphasis on well drilling and development for which 150 requests are already in hand.

LEBANON

Development assistance: Total, fiscal year 1956, included in regional totals only.

A development assistance program, most of which would be on a loan basis and a part of which would be in commodities, is proposed along the line of the fiscal year 1955 program. The funds would be used primarily in the fields of agriculture and natural resources, industry and transportation.

SYRIA

Development assistance: Total, fiscal year 1956, included in regional totals only.

Syria has not sought assistance from the United States for bilateral programs in the past, and no provision therefore has been made in present plans for a technical-cooperation program in Syria. If Syria should seek such aid, it may prove to be in our interest to make funds available for this purpose.

TURKEY

The fiscal year, 1956 program: In fiscal year 1956, \$50 million in defense support is proposed in order to provide machinery and equipment for expanding industrial, agricultural, and mining output, exclusive of technical cooperation, and to provide adequate counterpart to supplement the defense budget. This \$50 million will provide the counterpart which finances the difference between what is needed to attain those defense levels set by NATO, and that portion of its budget Turkey is able to assign to defense activities.

Dollars available under defense support will be used primarily for trucking, highway, and railway and agricultural equipment and spare parts, and for machinery needed in the development of smaller industrial plants. Funds will also be made available to the Industrial Development Bank to provide dollar exchange for private producers in the

industry and mining fields who require imports from the United States.

For fiscal year 1956, \$20 million worth of direct forces support assistance is proposed for items such as POL, machinery, raw and semifinished products for direct consumption by the military force.

INDIA

Development assistance: Total, fiscal year 1956, \$70 million.

1. Ten million dollars, agriculture and natural resources.

(a) Four million dollars, fertilizer.

(b) Four million dollars, additional deep irrigation wells.

(c) Two million dollars, river-valley development (irrigation).

2. Twenty million dollars, industrial development.

(a) Five million dollars, electric-power facilities.

(b) Fifteen million dollars, steel. (Also some part of this may be used to aid small rural industries by supply equipment.)

3. Six million dollars, transportation.

This will support agriculture, mineral, and industrial development as well as foreign trade. This would represent a continuation of the program to rehabilitate the Indian railways. It is planned that steel for fabrication of railway rolling stock in India and equipment to expand freight-car fabrication in India will be supplied.

4. Four million dollars, malaria control.

5. Thirty million dollars, agricultural surplus commodities.

The sales proceeds of these commodities are expected to be used for agreed economic development purposes such as local costs of irrigation, flood control, and power.

NEPAL

Development assistance, total, fiscal year 1956, \$1 million.

1. Three hundred thousand dollars for irrigation, land reclamation, and other agricultural development programs.

2. Five hundred thousand dollars for transportation and communication equipment and materials needed from outside Nepal.

3. Two hundred thousand dollars for development of hydroelectric power on a very small scale, and to aid small industries.

PAKISTAN

Direct forces support: Total, fiscal year 1956, \$20 million.

Will provide to the military forces such items as tools, spare parts and cordage; textiles for uniforms, construction material, including structural steel and steel sheets; dockyard equipment and machinery; and aviation gas and lubricants to—

A. Assist in provision of goods required for training in the use and utilization of MDAP materiel.

B. Assist in the development and rehabilitation of essential defense facilities required for adequate maintenance and support of MDAP and related materiel.

Defense support: Total, fiscal year 1956, \$63 million.

The program is aimed at "sustaining current consumption and industrial production levels and increasing the rate of development required by Pakistan to attain a stronger more diversified economy consistent with economic development goals and defense commitments. By comparison with the fiscal year 1955 program, United States aid to development will concentrate far more on industry and mining and transportation. A new long term development plan drawn up by the Government of Pakistan with the help of the Ford Foundation will provide a comprehensive framework for future industrial and investment projects. FOA will strive to activate key parts of this plan by providing expert guidance in investment, starting pilot

plant and industrial development centers. A start will be made on an industrial investment bank to encourage expansion of private capital development.

"Counterpart derived from United States aid in the fiscal year 1956 program will be used to supplement Pakistan's defense and economic development efforts."

KOREA

The fiscal year 1956 program:

(a) Overall magnitude:

For fiscal year 1956, it is proposed that \$460 million be made available to Korea: \$180 million for direct forces support, \$272 million for defense support, and \$8 million for technical cooperation. The fiscal year 1956 total compares with fiscal year 1955 assistance, exclusive of military end items, of \$498.5 million.

The amount requested for fiscal year 1956 assumes that the Korean Government will be able to provide, by noninflationary means, 20 to 30 percent of the funds needed for local procurement of supplies and equipment for the ROK military forces. Should the ROK not be able to meet this goal, the possible alternatives would be to decrease the size and cost of the military establishment or to reduce the amount planned for capital investment in fiscal year 1956. In view of the high priority given to maintenance of the military establishment, however, any shortfall probably would force a cutback in the investment sector in order to make more funds available for salable commodity imports which would generate the local currency needed to supplement ROK budgetary resources.

Present estimates of probable developments during the coming year strongly suggest that \$460 million will prove to be the minimum amount of assistance necessary to assure maintenance of relative internal stability and some further progress in fiscal year 1956 toward the attainment of joint United States-ROK goals.

No provision is made for a United States contribution to UNKRA in fiscal year 1956, since the present intention is to terminate the program when existing funds are exhausted.

(b) Components of the program:

Direct forces support: The funds requested for direct forces support in fiscal year 1956 will be used to import aviation gasoline, lubricating oils, motor-vehicle parts, construction materials, raw cotton, clothing, wheat, and daily necessities for the ROK forces. The decrease from \$218.5 million in fiscal year 1955 to \$180 million in fiscal year 1956 reflects not a reduction of requirements for this type of assistance but a shift in part from dollar to local currency financing of supplies available from indigenous sources.

Defense support: Of the \$272 million requested for defense support in fiscal year 1956, approximately 65 percent (\$176 million) will be required to finance imports of industrial raw materials and consumer goods to meet Korean supply requirements and to generate counterpart funds for supplementing Government budgetary resources. These imports will include approximately \$45 million of surplus agricultural commodities, as compared with \$32 million in fiscal year 1955; also \$32 million of coal, \$16 million of petroleum products, and \$61 million of fertilizer.

Funds to be devoted to the purchase of capital equipment for agriculture and industry, as presently planned, total approximately \$95 million in fiscal year 1956, as compared with \$100 million in fiscal year 1955. The investment component thus comprises about 35 percent of the defense-support program. Irrigation and flood control, railway and highway construction, steam power, chemical fertilizers, telecommunications, and small private-industry development will receive special emphasis.

CHINA (FORMOSA)

Direct forces support: total, fiscal year 1956, \$37 million.

The proposed increase from \$31 million in fiscal year 1955 to \$37 million in fiscal year 1956 reflects a partial shift from local procurement to direct importation. This shift is proposed partly to speed implementation of military projects, and partly to free counterpart funds for special projects having a high local cost component, such as the retired servicemen's project. The funds requested for fiscal year 1956 will be used to meet additional needs for such imports as aviation gasoline, lubricating oils, motor vehicle parts, construction materials, raw cotton, wheat, and soybeans. Surplus agricultural commodities will total almost \$10 million in fiscal year 1956, as compared with less than \$5 million in the previous year.

Defense support: Total, fiscal year 1956, \$62 million.

As in prior years, the major portion of aid resources in fiscal year 1956 will necessarily be used for defense support, primarily to maintain economic stability. The \$62 million requested for fiscal year 1956 compares with a fiscal year 1955 total of about \$104 million, including \$42 million of supplemental funds. More than half of the amount proposed for fiscal year 1956 will be required to finance imports of industrial raw materials and consumer goods to meet Chinese supply deficiencies and to generate counterpart funds needed to supplement Government budgetary resources. These imports will include about \$30 million of surplus agricultural commodities, as compared with about \$25 million in fiscal year 1955.

Funds to supplement Chinese foreign exchange resources for imports of capital equipment for agricultural and industrial development total approximately \$20 million in fiscal 1956, as compared with about \$30 million in fiscal year 1955; in percentage terms the investment component comprises about 20 percent of the defense support total in fiscal year 1956, compared to about 24 percent the year before. Hydroelectric and steam power, chemical fertilizers, metal manufactures, and small industry development will receive special emphasis in fiscal year 1956.

Other factors permitting, it would be desirable to increase the amount of aid funds for capital development in fiscal year 1956, since it contributes directly to increasing Formosa's capacity for self-support. However, because of the overriding need to support the military effort and to offset the inflationary pressures that would result from commodity shortages, substantially larger amounts cannot be safely programmed for investment without a commensurate increase in overall aid. Any increase in direct dollar investment, moreover, would entail increased expenditures of local currency as well, thus requiring additional dollar funds for counterpart generating imports.

Present plans are to continue working with the Chinese Government to refine and improve programs for achieving a self-supporting economy. Should military developments in fiscal year 1956 prove sufficiently favorable to provide a sound basis for setting a timetable for the attainment of this goal, it is proposed to direct future United States aid toward that end as an integral part of a jointly approved economic development plan based on agreement as to armed force levels and civilian consumption standards to be maintained.

PHILIPPINES

The fiscal year 1956 program: The recommended level for assistance in fiscal year 1956, exclusive of military end items is \$28.5 million, distributed as follows: \$2.3 million for direct forces support, \$19.7 million for defense support, and \$6.5 million for techni-

cal cooperation. The magnitude of aid and the distribution of funds among these functional categories have been determined on the basis of requirements and proven capacity of the Philippines to implement an integrated program of this size.

After 4 years, progress achieved with assistance from the United States has reached the point where emphasis can be shifted from problems of immediate social unrest and political instability to those related to basic economic development, upon which the Philippines must rely for the solution of its fundamental, longer term problems. Unemployment and underemployment, particularly in urban areas, and vulnerability of foreign exchange income to world prices of its exports are the most important of these problems. The Philippine Government plans to attack them through diversification of the economy and industrial expansion. Existing or potentially favorable factors are: relative internal security, undeveloped natural resources, expanding power supply, an increasing reservoir of trained or trainable labor, and initiative in private enterprise. The timing also is propitious since, under existing slightly deflationary conditions in the Philippine economy, a substantial investment program could be undertaken with a minimum of financial disturbance.

A program based on these favorable conditions can demonstrate to Asians how an Asian nation can, through democratic procedures and in cooperation with the United States, raise itself to a higher standard of living and to a position of greatly increased political and military security.

Of the \$19.7 million requested for defense support in fiscal year 1956, \$4.7 million is intended to provide local currency support of the military effort from counterpart funds generated by salable commodity imports. The balance is programed in part for continuation of projects of proven value begun in earlier years, and in part to provide a further stimulus to private industrial investment by expansion of the program initiated in fiscal year 1955. The significant feature of this program is that it supplements foreign exchange available for imports of industrial equipment and at the same time stimulates the expansion of local commercial credit.

The \$2.3 million of direct forces support recommended for fiscal year 1956 is to be utilized for imports needed to expand military facilities.

The technical cooperation program proposed for fiscal year 1956, amounting to \$6.5 million, as compared with \$7.3 million in fiscal year 1955, provides principally for continued support of projects initiated in prior years for which dollar financing is still required. These funds provide a minimum of supplies and equipment for demonstration and instruction, technical services, and contractual costs for projects in public administration, agriculture, industry and mining, and education.

Philippine Government contribution to mutual objectives: Contributions by the Philippine Government to United States assisted and related projects in the nonmilitary field amounted to the equivalent of \$47.5 million in 1954, and are expected to reach the equivalent of \$71.5 million in 1955, or about 2½ times the assistance being provided by the United States.

In addition to this financial contribution, the Philippine Government has instituted legislative and administrative reforms to improve government services and operations and to encourage private investment. The operations of several key Government offices, including the Bureau of Lands, Budget Commission, Department of Finance, and Bureau of Internal Revenue have been reorganized and modernized. Bills liberalizing foreign investment regulations and revising the retail trade nationalization law (to relieve re-

strictive provisions on commercial activities or aliens) have been introduced in the Philippine Congress.

A significant Philippine contribution to the United States policy of fostering regional cooperation has been the increasingly important role assumed by the Philippines as a center of technical training for other Far Eastern countries. In fiscal year 1955 nearly 300 participants from other Southeast Asian countries received training in various Philippine educational institutions, and an agricultural extension workshop, held in Manila in February 1955, was attended by 39 representatives of several Asian countries, including Japan, Nationalist China, Thailand, Indonesia, Viet Nam, and the Republic of Korea.

THAILAND

Direct forces support: Total, fiscal year 1956, \$8.2 million.

Assistance for direct forces support will help to provide essential supplies, such as petroleum products; and to construct key military installations and facilities, including improvements at airfields, ports, and military training centers, and vehicle and aircraft engine rebuild plants.

Defense support: Total, fiscal year 1956, \$31.8 million.

Of the \$31.8 million proposed for defense support, about \$22.7 million will be required to finance the local currency costs of forces support and defense support projects, which cannot be met from the Thai Government's budget. The local currency will be generated through sale in the local market of United States-financed imports of essential commodities.

CAMBODIA

The fiscal year 1956 program: Substantially increased assistance is proposed for Cambodia in fiscal year 1956. As in fiscal year 1955, most of the funds are needed to provide supplies and equipment and local currency financing for the military effort. In fiscal year 1956 for the first time, there will be an identifiable technical cooperation component and increased funds will be provided for projects which will enhance the mobility of defense forces and lay the foundation for more effective utilization of the country's resources.

Efforts in fiscal year 1956 will be directed toward the following goals:

Support of defense and internal security forces: The net cost to the United States for support of the Cambodia military establishment will increase somewhat in fiscal year 1956 because of an anticipated decline in government revenues as a result of this year's drought. More than two-thirds of United States aid funds will be used to help defray expenses in local currency for pay and allowances, training costs, construction, medical service, and similar items. The balance will be used to provide imports for the direct use of the armed forces.

Improving transportation facilities: In fiscal year 1956, as in fiscal year 1955, the port-highway project is accorded highest priority among Cambodia's defense support undertakings. Much of the heavy equipment to be procured for construction of this highway will be used subsequently in the country's public works program. Local technicians will be trained to operate and maintain the machinery.

To increase their military and commercial usefulness, it is planned to drain, lengthen, and resurface the four principal airports in Cambodia and to install modern safety equipment. This will enable heavy four-engine planes to land even during the rainy season. France has promised assistance in building a new air terminal at Phnom Penh.

Improving rural conditions: With agriculture the mainstay of the economy, substantial expansion is planned for projects in irrigation and water conservation, agricultural extension, animal husbandry, seed

improvement, rice milling and marketing cooperatives, and low interest rural credit. Greater attention will be given to encouraging the diversification of crops to improve nutrition. In cooperation with the World Health Organization, technical assistance and supplies will be provided for disease control, nurses training, health education, and the establishment of dispensaries and health centers in smaller communities. A major drive will be conducted in environmental sanitation to provide training and simple facilities for the sanitary disposal of waste and to develop a sanitary water supply through a well-digging project.

Substantially increased funds will be provided in fiscal year 1956 to speed up all phases of the Cambodian education program. These will encompass teacher training, curriculum development, and textbook preparation at the elementary level, technical and vocational training, and assistance to an existing project which is training villages, through practical demonstration, in self-help methods of improving many of the phases of their daily life. These agricultural, health, and educational activities (combined in many cases in community development projects) will demonstrate to the individual Cambodian that by supplementing his own efforts with technical help from the free world, substantial improvement in his living conditions can be achieved.

Increasing the effectiveness of government operations: Technical equipment and training will continue to be furnished to the Cambodian Government to assist in widespread dissemination of anti-Communist information by mass media. A greatly expanded program is scheduled to increase technical skills and to help the government overcome its acute shortage of trained administrators and technicians in such fields as banking, foreign trade, budgeting, statistics, public works engineering, personnel administration, and administrative management. This will be accomplished both by supplying United States specialists to Cambodia and by training Cambodian officials in the United States. As the wheels of government turn more smoothly, the strength and stability of this friendly government will be more firmly established.

LAOS

The fiscal year 1956 program: Assistance proposed for Laos in fiscal year 1956 is somewhat larger than in fiscal year 1955. The most significant feature is an internal shift toward increased utilization of United States aid funds for activities conducive to social improvement and expansion of productive resources. Though planning is still in the preliminary stages, this is a means of building economic strength and increasing Lao capabilities to contribute toward support of its costly military establishment.

Support of defense and internal-security forces: Support of the armed forces remains the highest priority item in the United States aid program for Laos. While the cost estimate for fiscal year 1956 as for fiscal year 1955 has yet to be firmed up on the basis of more complete study than has been possible to date, it appears fairly clear that, whatever the final estimate, the entire cost of the Lao military effort will have to be met for some time entirely out of foreign-assistance funds.

A positive step toward strengthening the internal-security situation will be taken in fiscal year 1956 by initiating a program for the training of Lao police officers in Thailand. This is part of a larger program to be developed on the basis of recommendations of a United States police survey team now in Laos.

Improved utilization of resources: The fiscal year 1956 fund allocation for transportation improvement is about eight times that for fiscal year 1955. Most of the funds will be used to construct new highways linking key cities, which are now readily accessible

only by air, and to improve farm-to-market roads. Two additional ferries across the Mekong are planned in order to improve communications and facilitate trade between Laos and Thailand.

Strengthening government administration: To strengthen the Government's ability to perform essential public services, a substantial expansion is planned in the training of technicians and administrators and in the number of technical advisors to be made available to Government ministries and agencies and to the provincial governments. United States experts attached to Lao agencies will help tide the Government over the next few years until currently planned training programs begin to yield a corps of competent specialists and administrators.

Improving rural conditions: To assist the Laos in attacking problems affecting rural living conditions, a coordinated program in agriculture, health, education, and community development will be launched in fiscal year 1956. The elementary and vocational education program will be expanded to include the establishment of a normal school for teacher training, curriculum development, and textbook preparation. An effort will be made to develop a curriculum which relates in a practical way to the problems of Laotian life.

Assistance also will be given the Government in enlarging its agricultural extension service. Emphasis will be on improving rice production so that Laos will be less subject to famines. Attention also will be given to improvement of livestock, once an important foreign exchange earner for Laos, but unproductive in recent years. Further steps will be taken to eradicate the diseases which plague Lao villages and to improve environmental sanitation.

Through a contract with International Voluntary Services, Inc., 1 or 2 demonstration projects in village life improvement will be undertaken. This group will focus on practical solutions to the problems of village life in the fields of health, agriculture, self-help housing, family welfare, and education. These projects will demonstrate to the Lao people what can be accomplished in improving living standards through self-help, plus a minimum of outside assistance in training and equipment.

VIETNAM

The fiscal year 1956 program: As currently estimated, requirements for United States assistance to Vietnam in fiscal year 1956 are expected to decline from the level of fiscal year 1955. This reduction reflects entirely an anticipated decline in aggregate costs for maintaining its military establishment and particularly, reduced local currency costs.

Any significant increase in Vietnam's capacity to support a substantial military establishment will depend upon the progress it makes in the building of economic strength. The nonmilitary portion of assistance recommended for fiscal year 1956 clearly recognizes this fact and consequently includes an increased amount for assistance to activities which will provide support to the defense effort and concurrently help build such strength.

As in fiscal year 1955 priority will be given to the refugee resettlement and rehabilitation program. Even though refugees from North Vietnam may need less assistance in fiscal year 1956 than the year before, aggregate funds required for this program will be about the same in order to assist over a million and a half South Vietnamese displaced from their homes during the war years, as well as demobilized military personnel.

In addition, activities of proven value begun in earlier years will be expanded in a variety of fields, and new activities will be undertaken as details are more fully developed. Funds will provide for expansion of

activities in the field of agriculture, principally to assist in the establishment of demonstrational production, storage, and primary processing cooperatives, and to provide substantially increased short-term production loans to farmers. Increased funds are needed to expand activities in irrigation and drainage rehabilitation, especially in newly liberated areas.

Activity in the transportation field will be significantly increased, principally to rehabilitate main highways and provide access to areas evacuated by the Vietminh. Major improvement is planned for the main highway from Saigon to Phnom Penh, as well as for roads from Saigon to outlying areas. Improvement of the ports of Saigon and Tourane will be continued and dredging activities to bring inland waterways into serviceable condition will be expanded.

Public administration assistance to improve the police force, civil service, key ministries of the government, and tax and budget administration will be continued, largely under contractual arrangements. Increased attention will be given to programs such as adult education, community development, social welfare and housing, and health and sanitation, which provide tangible evidence of the government's interest in the people's welfare and thus help win popular support.

GREECE

Defense support: Total, fiscal year 1956, \$15 million.

The total amount would be used for wheat for the civilian economy. The local currency generated from the sale of this wheat would be used to support the defense budget, enabling the Government to maintain the army at a level commensurate with NATO force goals.

YUGOSLAVIA

Direct forces support: Total, fiscal year 1956, \$4 million.

Funds are proposed for the provision of common-use items (such as aviation fuel) for consumption by military forces.

Defense support: Total, fiscal year 1956, \$36.5 million.

It is planned that the agricultural commodities and raw material component of the program would require over 50 percent of the proposed fiscal year 1956 defense support funds.

Remaining defense support funds, total, fiscal year 1956, \$7 million (to be concentrated upon critical defense sectors).

Four million dollars, purchase of United States earthmoving and highway construction equipment for strategic roads.

One million dollars, port and terminal facilities.

Two million dollars, breaking bottlenecks by supplying spare parts, repairs, and critical equipment to criminal industrial sectors.

(It may also be necessary to devote a portion of defense support funds for the correction of the power deficit, which is threatening to create a serious bottleneck in military and nonmilitary production.)

Technical exchange: Total, fiscal year 1956, \$1 million.

1. Three hundred and fifty thousand dollars for agricultural projects intended to improve production and distribution methods in view of increased domestic consumption demands.

2. Two hundred and eighty-five thousand dollars for industrial management projects in critical defense sectors.

3. Fifty thousand dollars for fields of transportation and communication in conjunction with the defense support program in these same areas.

4. Fifteen thousand dollars for assistance in improving public administration.

5. Twenty-four thousand dollars for community development and housing.

6. Two hundred and seventy-six thousand dollars for other projects and technical support purposes.

NOTE.—Counterpart funds, amounting to \$20 million, from MSP sales of surplus agricultural commodities, will be programed in this country for defense support.

SPAIN

Defense support: Total, fiscal year 1956, \$26 million.

1. Eight million two hundred thousand dollars, projects relating to military activities.

Six million nine hundred thousand dollars, railroads; \$700,000, port facilities at Cadiz; \$600,000, safety equipment for civilian airports and petroleum-testing laboratory.

Total, \$8.2 million.

2. Twelve million eight hundred thousand dollars, agriculture and electric power.

Five million, equipment for irrigation and reclamation; \$800,000, machinery to build irrigation dams and canals; \$1 million, to expand nitrogen-fertilizer industry; \$6 million, power transmission lines, substation, etc.

Total, \$12.8 million.

3. Five million dollars, purchase of United States cotton.

Technical exchange: Total, fiscal year 1956, \$2 million.

About half will go to industry and transportation and will include defense production projects for electric power and other industries. The balance will provide technicians, train engineers in the field of agriculture, and train management for industry, etc.

NOTE.—Of the counterpart equivalent of the \$26 million supplied under the heading "Defense Support," 10 percent will be used for "general United States purposes"; 60 percent for local currency costs of United States base-construction projects; and 30 percent for "agreed projects in the transportation and defense production fields."

JOINT CONTROL AREA

Berlin programs: Total, fiscal 1956, \$20 million. * * * To maintain programs in West Berlin now in operation.

Excerpt from progress to date narrative: "The United States is cooperating with the Federal Republic and the Berlin City government in supporting the public program for reconstructing the city. This program creates employment by clearing rubble, replacing sorely needed facilities and houses, and by various apprenticeship and retraining programs related to these and other undertakings."

To help alleviate the strains imposed by the continuing influx of refugees into Berlin and West Germany, the United States made available the counterpart currency equivalent of \$15 million derived from sales of surplus agricultural commodities (sec. 550) for a refugee housing program. Approximately \$5 million of this sum was earmarked for refugee housing construction in West Berlin. Construction is now in progress on 3 large projects totaling 1,300 dwelling units, and it is anticipated that an additional \$1.8 million in local currency from section 550 sales will soon be made available for a similar program in Berlin.

PALESTINE REFUGEES IN THE NEAR EAST

Relief program: Total, fiscal year 1956, \$16.5 million.

Eight hundred and thirty-four thousand daily rations of about 1,600 calories are being distributed among a total of 887,000 refugees as of June 30, 1954, no significant change having occurred in this total for the past 3 years. The cost of this ration is about \$3 per ration per annum. It is considered just adequate for the requirements of the refugee group, and more often than not UNRWA is criticized by observers from abroad for not providing enough. Many of the refugees, however, are able to supplement their rations

by occasional work available to them. Any significant increase in rations may result in some cases in placing a premium on idleness, and in other cases in creating a willingness to work at cut-rate wages, thus intensifying the already serious pressure of refugee labor in the local labor market and resulting in still further hardship on the settled population, particularly in Jordan and in Lebanon.

Great advances have been made in the past years in providing shelter, and at the present time, only about 10 percent of the refugees are housed in tents. This indicates that more substantial housing has been found for no less than 200,000 people since March 1951. Two-thirds of the refugees have found shelter otherwise than through UNRWA.

The cost of the relief program approximates \$25 million annually, and this figure is not likely to be reduced until substantial employment occurs on the projects for rehabilitation. While substantial numbers of refugees are finding their way quietly into useful employment, their places on the ration rolls are claimed by the natural increase in the population of the refugees which amounts to about 20,000 annually.

Reintegration program: Total, fiscal year 1956, \$48.5 million.

This project (in Sinai) is estimated to involve the irrigation of 50,000 acres, to provide a living for 70,000 or 80,000 refugees, and may cost as much as \$50 million. It involves increasing the capacity of the present sweetwater canal which leads from the Nile to the Suez Canal; a siphon to convey water under the canal; a pumping operation to raise the waters a few meters to an appropriate height to permit gravity flows to agricultural lands; land-reclamation operations similar to those practiced in the Nile Valley; establishment of farms and necessary community centers.

The second major project involves the rational development of the waters of the Jordan River to benefit both Israel and the interested Arab States of Lebanon, Syria, and Jordan. Agreement on this project will result in important economic benefits in the area, including the perennial irrigation of approximately 125,000 acres in Jordan of which approximately 40,000 acres are now irrigated part of the year. The cost of principal and secondary irrigation works, and of community facilities, is estimated to be of the order of \$90 million. While this program will undoubtedly be carried out in phases, it will be necessary to make a sizable commitment once agreement has been reached by riparian states with Ambassador Johnston; the first stage will inevitably require commitments on reservoir-control works and canals as well as certain other elements of the entire project through the farm and community centers. It is considered appropriate to make provision for initiating substantial segments of this project with fiscal year 1956 funds, although completion of the project would take a number of years, and will require a still longer period before its full effects are manifest.

In addition, UNRWA has financed several smaller resettlement programs and is also devoting rehabilitation funds to education and training. The educational program now affects no fewer than 154,000 refugees or 17 percent of the total refugee population. The cost of this program, including elementary and vocational training and a certain amount of advance study, was \$2.5 million in fiscal year 1954, charged to rehabilitation funds. It is intended to expand the educational program.

Total cash requirements, less assets July 1, 1955, for UNRWA for fiscal year 1956—	\$95,400,000
Proposed contribution from United States—	65,000,000
Proposed contribution from others—	30,400,000

Mr. ELLENDER. Mr. President, let me point out, further, that in this bill we are providing an appropriation of almost \$5,500,000 for what is described as Western European Technical Exchange. That sum of money is to be used for the following activities, among others: Management development, marketing and distribution, community self-help, development of competitive business practices, and housing. Mr. President, let us remember that these funds are to be spent in Western Europe, which is now prosperous, as I have indicated earlier this afternoon. These funds will also be used for giving technical help in government administration and to teach collective-bargaining techniques. In the latter case, an appropriation of \$365,000 is provided. Among the other items are the following: Manpower utilization, \$35,000; agricultural training and extension, \$135,000. These moneys are to be spent—some earlier appropriations are now being spent—notwithstanding the fact that there are similar programs now in effect. These are conducted by the United Nations, as well as under our regular technical-aid program, which is generously taken care of in another section of the bill.

Also included in this field of so-called technical exchange activity are the following items: Strengthening free trade unions, scientific training projects; arranging and supporting of self-financed projects.

Under the head of "Operations Cost," we find the following: European support and arrangements, \$1 million; and Washington support and arrangements, \$800,000.

Mr. President, the amounts to be spent for all these purposes aggregate nearly \$5.5 billion. The program involves duplication of a great deal of work which already is underway. The assistance is supposed to be given in support of countries which themselves can well afford to pay the expenses of sending their technicians to the United States—just as we should pay the expenses of sending our technicians to those countries. I think it is sinful for us to continue to make these unwarranted expenditures in the case of countries which are well able to take care of themselves.

Mr. President, I would sincerely like to inform the Senate further about various details in connection with this matter. However, because I know that Senators wish to conclude action on the bill as soon as possible, I shall content myself with having the data printed in the RECORD; and I now ask unanimous consent for that purpose.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Western European technical exchange, excluding Spain and Yugoslavia

Multicountry: Total, fiscal year 1956, \$5.45 million.

Undistributed: Total, fiscal year 1956, \$1.05 million.

NOTE.—This includes the \$1 from the joint control areas funds.

"Great emphasis will be placed on the development of permanent institutions from which knowledge about the modern economy can be spread to ever-increasing numbers of persons. Thus, the program will provide for establishment and strengthening of busi-

ness schools and institutes for training of European managers and industrialists, for training young trade-union leaders in collective bargaining techniques and union organization, and for an increased strength and activity on the part of the European Productivity Agency of the OEEC as the spearhead of European programs."

Fields of activity:

Management development—	\$1,200,000
Marketing and distribution—	270,000
Community self-help—	550,000
Development of competitive business practices—	50,000
Housing—	150,000
Government administration—	230,000
Collective-bargaining techniques—	365,000
Manpower utilization—	35,000
Agricultural training and extension—	135,000
Strengthening free-trade unions—	600,000
Scientific-training projects—	865,000
Arranging and supporting of self-financed projects—	250,000
Operations cost:	
European support and arrangements—	1,000,000
Washington support and arrangements—	800,000

Mr. ELLENDER. Mr. President, it is high time for us to give some thought to what we are doing in the way of obtaining some assistance from our allies in bearing the free world's burdens. At present we frequently must not only finance the economic development of underdeveloped lands but we must move in and "pick up the check" for rectifying damage which was caused by years of misrule, and to clean up other "dirty" situations which have been created by our allies.

For instance, consider the situation in Iran. There the British oil exploitation resulted in a virtual revolution. There the British wanted not only a pound of flesh but also the lifeblood of Iran. They in effect had been bleeding Iran white under the terms of the contract they had with the Iranian Government concerning the production of oil. A number of American companies were operating in that same area—for instance, in Saudi Arabia. United States companies had contracts there, and under them they had the right to drill for and produce oil, just as the British had in Iran. However, when those American companies saw trouble coming they revised their contracts to suit the situation. They made available to the countries in which they were operating a greater share of the proceeds from the oil being extracted from the earth. That was not done by the British in Iran. As a result, there was chaos in Iran. What happened then? Uncle Sam stepped in and spent over \$100 million in an attempt to rectify the damage which had been done there.

The same occurred in many other countries—for instance, in India and in Egypt; and also in Indochina as a result of the French maladministration there. I shall not take the time of the Senate to discuss all those situations; they are well known. I ask only that the Senate recognize the import of what we are having to do, and what our ambitious planners have mapped out for us.

Mr. President, we are not only cleaning up messes in former colonies of some of our allies, we are giving technical aid to colonial possessions in Africa and

South America. I am not complaining about the aid we are giving to South America. I believe it will pay us to invest more money in South America and Central America, because I have often said that if the countries of South America and Central America experience the industrial development which has occurred in the United States, we shall soon run short of the materials we require, including iron, copper, and zinc, in addition to others.

In order for us to continue to forge ahead as we are now doing, it will become increasingly necessary for us to look to the south of us, to South and Central America, in order to obtain the resources we shall need to maintain our industrial production at the present level. For that reason I believe we should help to develop the countries to the south of us, in the hope that in some way we can mesh our own economy with theirs and, by assisting them in developing their natural resources, we can thereby obtain from them in exchange much-needed raw materials for our own needs. However, I do believe that our allies could well afford to advance the technical know-how of their own overseas countries. It should not be our task—it should be theirs.

As I previously pointed out—and I shall not go into it again—we are carrying the entire burden of military and economic assistance for Southeast Asia. The United Nations is in the picture in a small way, but we are paying more than 90 percent of the cost of Korea, and another healthy sum by way of contributions to the United Nations. So the result is that we are carrying almost the entire burden in Korea; we are carrying the entire burden in Formosa, and, in fact, in all of Southeast Asia. It strikes me that efforts should be made in order that the friends we have supported in Western Europe, and who are now well able to assist us, may be put on notice that we shall expect help from them in the future. We should tell them to stop dragging their feet.

Mr. President, I do not care to go into any further details. The Senate is pressing for passage of this bill. I am hopeful that the amendments which I suggested will be adopted. From personal observation, I am convinced that if we go about this training in Southeast Asia, in the countries which have no industrial development, by beginning at the bottom rung of the ladder and building with them, we can do a good job. But if we go there with millions and millions of dollars and try to teach them our way of life and our way of doing things overnight—because that is really what we are trying to do in the industrial field, as well as in the agricultural field—we are faced with the problem of teaching people who are not capable of absorbing the level of knowledge we are trying to impart. They are different from the people of central Europe and southern Europe, who are advanced technically. That is particularly true with respect to Cambodia, Laos, Vietnam—all of Asia, South Asia, the Near East, the Middle East, and Africa.

It strikes me that if we spent less money in those areas, and spent it in

offering skills and know-how which are in keeping with the ability of the people to absorb what we are trying to teach them, much more progress could be made, and a great deal of money could be saved.

As I indicated a while ago, the remarks I have made pertain not only to the pending amendment, but to all the amendments which I have submitted, and which I understand are to be voted upon separately.

Mr. DIRKSEN. Mr. President, the item which is now before the Senate is for defense support for Europe. It does not mean a thing until it is broken down. The House allowed \$70 million. The Senate committee increased the amount to \$85,500,000. When we say "Europe," it does not mean much. What is involved? Two countries are involved, namely, Spain and Yugoslavia. Certainly the Senate committee was generous with Spain. The House allowed only \$25 million. We increased the amount to \$50 million. Hundreds of millions of dollars are being invested in bases in certain areas such as Spain. All of this particular item is for agricultural commodities. There is not a dollar in it otherwise, except \$1 million for so-called technical exchange. If we want to get rid of surplus commodities, this is our opportunity to do so; but the Senator from Louisiana wishes to reduce this item.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. I wish to point out to my good friend that today we are spending millions of dollars in building airports in Spain. The expenditures there are of infinite aid to the economy of Spain. If we continue to spend millions of dollars more in that country, such expenditures are bound to affect their economy adversely. Such expenditures create inflation. We shall disrupt the Spanish economy.

Mr. DIRKSEN. Mr. President, I do not yield further.

The Senator from Louisiana does not contest the argument of the Senator from Illinois. This item has to do with surplus commodities.

Mr. ELLENDER. Mr. President—

Mr. DIRKSEN. The Senator has had his time. Let me proceed for a moment.

Mr. ELLENDER. I wish to answer the Senator's fallacious argument.

Mr. DIRKSEN. I know what is in this bill. I have had something to do with its preparation.

There is \$30 million for Yugoslavia. The President of the United States is at Geneva trying to do a job. Here is Yugoslavia, which we have been trying to coax along and nurture, and persuade to come into our corner. Many think it is a bad idea. Some think it is good. I do not pass upon the merits of the proposal, but I do say that we are deeply immersed in the program now. Are we to cut it off suddenly by way of retaliation?

Yugoslavia and Spain are involved in this program. It has to do with surplus agricultural commodities. To be sure, it costs money. We have to buy

the commodities from the Commodity Credit Corporation. But under the Trade Development Act, the Agricultural Assistance Act, and the provisions in this bill, we have been urging Governor Stassen and others to get rid of some of our surplus agricultural commodities. Here is the opportunity. But the Senator from Louisiana wants to chop off the program. I hope his amendment to the committee amendment will be rejected.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. Is it not true that the money which is derived from the sale of surplus agricultural commodities under the provisions we are now discussing is in the form of counterpart funds, or local currency, which is used to pay for labor on the projects in which our Government is investing in terms of the defense of our country?

Mr. DIRKSEN. Directly so.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished chairman of the committee.

Mr. HAYDEN. I merely point out that last year, for defense support in Europe, we appropriated \$142,760,000. The Senate committee proposes to reduce that amount to \$85 million. The Senator from Louisiana would further reduce the amount to \$64 million. It seems to me that a cut from \$142,760,000 to \$85 million is a fair cut, which indicates a decline in this activity.

Mr. DIRKSEN. That was the attitude of the committee.

Mr. ELLENDER. Mr. President, I wish to point out, in answer to what my good friend from Illinois has stated, that in the contract with Spain which deals with the building of airbases, provision is made to use some of that money in order to buy the agricultural commodities about which the Senator speaks. That money will be reduced to counterpart funds, to pay for the labor. So Spain will have ample money, aside from this appropriation, in order to buy American farm surpluses. I point out to my good friend that I am not proposing to eliminate the entire amount. All I am doing is proposing a reduction of 25 percent.

Mr. DIRKSEN. The Senator wishes to cut that much off the surplus commodity item relating to Yugoslavia and Spain. That is the whole issue. The military appropriation, including bases, and so forth, is not involved here at all, because this is the item for defense support for Spain and Yugoslavia.

Mr. President, I hope the amendment to the committee amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] to the committee amendment on page 2, line 18. On this question the yeas and nays have been ordered.

Mr. SMITH of New Jersey. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment on page 2, line 18.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The Senator from Minnesota will state it.

Mr. HUMPHREY. A "nay" vote is a vote to sustain the action of the committee; is that correct?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On the vote, the Senator from Delaware [Mr. FREAR] has a pair with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Texas would vote "nay."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] is detained on official business.

If present and voting, the Senator from New Hampshire [Mr. COTTON] and the Senator from Vermont [Mr. FLANDERS] would each vote "nay."

The result was announced—yeas 22, nays 63, as follows:

YEAS—22

Barrett	Ellender	McClellan
Bible	Ervin	Robertson
Byrd	Goldwater	Russell
Case, S. Dak.	Hruska	Thurmond
Curtis	Jenner	Welker
Daniel	Johnston, S. C.	Williams
Dworshak	Kerr	
Eastland	Long	

NAYS—63

Aiken	Capehart	Green
Allott	Carlson	Hayden
Anderson	Case, N. J.	Hennings
Barkley	Chavez	Hickenlooper
Beall	Clements	Hill
Bender	Dirksen	Holland
Bennett	Douglas	Humphrey
Bridges	Duff	Ives
Bush	Fulbright	Kennedy
Butler	Gore	Kilgore

Knowland
Kuchel
Langer
Lehman
Mansfield
Martin, Iowa
McCarthy
McNamara
Millikin
Monroney
Morse

Mundt
Murray
Neely
Neuberger
O'Mahoney
Pastore
Payne
Potter
Purtell
Saltonstall
Schoeppel

Scott
Smathers
Smith, Maine
Smith, N. J.
Sparkman
Stennis
Symington
Thye
Watkins
Wiley
Young

NOT VOTING—11

Bricker
Cotton
Flanders
Frear

George
Jackson
Johnson, Tex.
Kefauver

Magnuson
Malone
Martin, Pa.

So Mr. ELLENDER's amendment to the committee amendment on page 2, line 18, was rejected.

Mr. ELLENDER. Mr. President, I have an amendment at the desk which I ask to have stated and on which I ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. In the committee amendment on page 2, line 19, it is proposed to strike out "\$50,000,000", and insert in lieu thereof "\$37,500,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

Mr. DIRKSEN. Mr. President, I think before the Senate votes we should devote at least a minute to discussing the amendment.

Does the Senator from Louisiana wish to take any time?

Mr. ELLENDER. Not on this amendment. I thought, when we had before us the item relating to defense support for the Near East and Africa—

Mr. DIRKSEN. That is what this amendment relates to.

Mr. ELLENDER. I was under the impression that when we voted just now it covered the amendment beginning on line 18, down to line 23, on page 2.

Mr. DIRKSEN. Mr. President, it is only a modification of the delimiting clause under defense support for Europe. So I urge that the Senate vote down this amendment very vigorously, as it did the last amendment.

Mr. ELLENDER. I withdraw my request for the yeas and nays.

Mr. HOLLAND. Mr. President, may we have the amendment again stated?

The PRESIDING OFFICER. The clerk will again state the amendment offered by the Senator from Louisiana to the committee amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 2, line 19, it is proposed to strike out "\$50,000,000", and insert in lieu thereof "\$37,500,000."

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. In the committee amendment, on page 2, line 21, it is proposed to strike out "\$22,000,000" and insert in lieu thereof "\$16,500,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 2, line 25, after "131 (c) (2)", to strike out "\$102,500,000" and insert "\$113,700,000, including not less than \$26,200,000 for assistance to Greece."

Mr. ELLENDER. Mr. President, I ask that my amendments, on page 2, line 25, and page 3, line 1, be acted upon together.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. In the committee amendment, on page 2, line 25, and on page 3, line 1, it is proposed to strike out "\$113,700,000" and insert in lieu thereof "\$85,300,000."

Mr. HUMPHREY. Mr. President, is this a committee amendment?

The PRESIDING OFFICER. It is an amendment to the committee amendment, at the bottom of page 2 and the top line of page 3.

The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 3, line 4, after "131 (c) (3)", to strike out "\$775,000,000" and insert "\$827,800,000", and in the same line, after the amendment just above stated, to strike out "and in addition not to exceed \$25,000,000 of unobligated balances of funds heretofore appropriated under authority of section 121 of the Mutual Security Act of 1954, as amended, are hereby continued available through June 30, 1956."

Mr. ELLENDER. Mr. President, I have an amendment to the committee amendment which I ask the clerk to state.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 4, it is proposed to strike out "\$827,800,000" and insert in lieu thereof "\$621,000,000."

Mr. ELLENDER. Mr. President, the amendment simply seeks to cut 25 percent from the item "Defense support—Asia." One of the reasons why I propose this reduction is that for defense support in Asia, the record shows that on April 30, 1955, there remained unex-

pended \$1,856,000,000 from prior appropriations. This money is to be used for economic aid. I wish to reiterate that, in my humble judgment, there is no possibility of economically and efficiently spending such a huge sum in those areas. As I pointed out a while ago, there exists in Korea today, because of the large and unrealistic expenditures being made there, graft and much waste of money which we have appropriated for reconstruction. It strikes me that we should cut this item at least 25 percent. Even if my amendment should be adopted, we will still add \$621 million to the \$1.8 billion carryover now in the Asia economic-aid bill. I sincerely believe that is sufficient.

I ask for the yeas and nays on this amendment, Mr. President.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, the item before the Senate is defense support for Asia. The House allowed \$775 million, and the Senate committee has reported the amount of \$827,800,000. The senior Senator from Louisiana proposes to cut roughly \$206 million from this item.

In so doing, what would happen? I remind the Senate that our Army, as well as the armies of other nations, marched up and down Korea. There is \$272 million in this item for Korea. Either we owe Korea support, or we do not. Everyone whom I know who testified before the committee feels that we have an obligation to Korea, where our soldiers are stationed today. We can likewise be grateful, indeed, that the Republic of Korea divisions stand there today and man that line.

But if we adopt the amendment offered by the senior Senator from Louisiana, we shall be chopping off the amount provided for Korea by 25 percent, and taking out \$70 million.

We have an anchor post in the Far East or the Middle East, in the form of Pakistan. The United States has been nurturing Pakistan, and trying to bring her into line. She has entered into a treaty with Turkey. We have a large investment in Pakistan. The committee amendment provides \$63 million for Pakistan. If we reduce that amount by more than \$15 million, we shall weaken our position in that country.

The committee amendment provides \$62 million for Formosa. The senior Senator from Kentucky [Mr. CLEMENTS] and I were there. We observed a field demonstration on the part of the Formosan Army which was something of which they could be proud. Formosa is a little island having a population of 10,500,000. The going is pretty hard. Their economy has to be supported somewhat. The bill provides \$62 million for that purpose. The amendment offered by the Senator from Louisiana would reduce the amount by more than \$15 million and would make the progress difficult, indeed.

There is \$379 million provided for the Associated States. We bailed almost a billion dollars into Indochina. Are we going to forfeit that investment now? Vietnam is just getting on its feet after the Geneva Convention. It is just be-

ginning to walk under a new Prime Minister. He is all we can tie to. That little country has a population of 11 million.

Another country is Cambodia, having a population of 4 million. Another is Laos, with 4,500,000.

If this is the way we are to feel, why not bring General O'Daniel home, instead of setting up a fine new Vietnamese Army. If the amendment offered by the senior Senator from Louisiana shall be agreed to we will be making a cut of 25 percent, and will not only be cutting the ground out from under that effort, but we will also be destroying the morale which has been improving in the last 4 or 5 months.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KNOWLAND. Is it the Senator's understanding that the amendment offered by the Senator from Louisiana will actually hit directly at the staunchest non-Communist nations in all of Asia?

Mr. DIRKSEN. It will hit at the Asian arc and at all those who are our friends.

This amendment is simply a meat-ax approach, and would undo the good which we have accomplished in the last few years. It would constitute a retreat at the most critical time.

I hope the amendment offered by the Senator from Louisiana will be overwhelmingly rejected.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Louisiana [Mr. ELLENDER] to the committee amendment, on page 3, line 4, to strike out "\$827,800,000" and insert in lieu thereof "\$621,000,000."

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Texas would vote "nay."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Arizona [Mr.

GOLDWATER] are detained on official business.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from Vermont would vote "nay."

If present and voting, the Senator from New Hampshire [Mr. COTTON] would vote "nay."

The result was announced—yeas 24, nays 60, as follows:

YEAS—24

Barrett	Ervin	Mundt
Bible	Hruska	Robertson
Byrd	Jenner	Russell
Case, S. Dak.	Johnston, S. C.	Schoeppel
Curtis	Kerr	Scott
Dworshak	Langer	Thurmond
Eastland	Long	Welker
Ellender	McClellan	Williams

NAYS—60

Aiken	Gore	Morse
Allott	Green	Murray
Anderson	Hayden	Neely
Barkley	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bender	Hill	Pastore
Bennett	Holland	Payne
Bridges	Humphrey	Potter
Bush	Ives	Purtell
Butler	Kennedy	Saltonstall
Capehart	Kilgore	Smathers
Carlson	Knowland	Smith, Maine
Case, N. J.	Kuchel	Smith, N. J.
Chavez	Lehman	Sparkman
Clements	Mansfield	Stennis
Daniel	Martin, Iowa	Symington
Dirksen	McCarthy	Thye
Douglas	McNamara	Watkins
Duff	Millikin	Wiley
Fulbright	Monroney	Young

NOT VOTING—12

Bricker	George	Kefauver
Cotton	Goldwater	Magnuson
Flanders	Jackson	Malone
Frear	Johnson, Tex.	Martin, Pa.

So Mr. ELLENDER's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, line 4.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I have another amendment, and I ask that it be considered at this time. It would cut 25 percent from the development-assistance program. This program is economic aid, pure and simple.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, in line 11, it is proposed to strike out "\$73,000,000" and insert in lieu thereof "\$54,800,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana on page 3, line 11.

Mr. DIRKSEN. Mr. President, may the clerk again state the amendment?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, line 11, it is proposed to strike out "\$73,000,000" and insert in lieu thereof "\$54,800,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 3, line 4, after "\$827,000,000", it is proposed to strike out the following: "and in addition not to exceed \$25,000,000 of unobligated balances of funds heretofore appropriated under authority of section 121 of the Mutual Security Act of 1954, as amended, are hereby continued available through June 30, 1956."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 3, line 14, after "201 (a) (2)", to strike out "\$61,000,000" and insert "\$51,000,000", and in the same line, after the amendment just above stated, to insert a colon and the following proviso:

Provided, That of the funds made available by this act, no more than \$50 million shall be available for assistance to India exclusive of funds provided for assistance authorized in section 304 (b) of the Mutual Security Act of 1954, as amended.

Mr. HUMPHREY. Mr. President, as I understand, there is no necessity for offering an amendment to the amendment if one wants to agree with the figure or support the figure which was recommended by the House Appropriations Committee and adopted by the House. In other words, I wish to support the figure of \$61 million for development assistance for Asia, which \$61 million in the main relates to India, with the exception of about \$1 million which under the title is deducted for Nepal.

The PRESIDING OFFICER. The statement of the Senator from Minnesota is correct.

Mr. HUMPHREY. I believe that the action which was taken by the committee in this entire section on development assistance is most regrettable. I know that following the discussion of this particular committee amendment, namely, the reduction to \$51 million from the budget estimate of \$71 million, we shall also discuss the proviso which is now written into the committee bill.

I have been informed that the proviso which follows the figure of \$51 million may well be taken out of the bill by common consent.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. HAYDEN. I have in my hand a letter dated July 22, 1955, addressed to me by John B. Hollister, from which I should like to read the pertinent paragraphs. After the introductory paragraph, the letter reads:

It is our understanding that your committee inserted this proviso for the purpose of insuring that the administration would not seek, through the use of transfer provisions or other special authority vested in the President, to furnish development assistance to India over and above the amount specifically appropriated by the Congress within the authority of section 201 (a) (2) of the Mutual Security Act of 1954, as amended.

I wish to assure you that the International Cooperation Administration intends to comply fully with the intent of the Congress with regard to the amounts and types of assistance to be furnished to India, as well as to all other recipients of assistance under the Mutual Security Act. I urge the deletion of the foregoing proviso, however, because I feel that it tends to limit the flexibility authorized to the President under the basic mutual-security legislation to an undesirable degree.

The final paragraph reads:

For the reasons given above, and in consideration of the assurances expressed herein, it is the earnest desire of the Department of State and the International Cooperation Administration that action be taken, if possible, to delete the above proviso, which I sincerely believe might seriously hamper the progress of economic development in the region of free Asia and deny to the President the full use of his emergency powers.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Since the committee amendment deals with both a figure and a proviso, might we have the amendment divided so that the first vote will be on the amount and the second vote will be on the proviso?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I shall not object, but I might say they are related. However, for the convenience of my colleagues, because I know they are anxious to move on with action on the bill, I shall withhold any objection to the request.

I propounded the inquiry about the proviso so that the Members of the Senate might know that as we vote upon the amount, namely, the committee amendment figure of \$51 million, we might have the knowledge of the reaction of the International Cooperation Administration and the State Department to the proviso which has been referred to by the Senator from Arizona [Mr. HAYDEN].

I am pleased that the State Department has asked that the language of the proviso be deleted and I am under the impression that at the appropriate time it will be stricken from the bill. It was my intention to offer an amendment striking out the proviso. Even then I say the figure of \$51 million is not adequate for the responsibilities our country has assumed and for the policy and the program we are forwarding in the Asian area, and particularly in India.

I want to talk as plainly as I can—

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SMITH of New Jersey. It seems to me that in order to keep the matter clear, it would be more appropriate to get unanimous consent to vote on the proviso first, because then we could deal with its merits first.

Mr. HUMPHREY. I think we shall have a pretty good understanding of what we are doing if we proceed in order. A moment ago there was objection to the disruption of the regular order on the amendments, and I think it is pretty

well understood what is intended. I have tried to be frank about it. The chairman of the committee, the ranking minority member of the committee, the minority leader, and, as I understand, other Senators are in favor of striking out the proviso. So there does not seem to be much difference of opinion among the leaders of the Senate Appropriations Committee. Everything I say from this point on will be said in light of that observation, so no one will think we are going to leave the proviso in the bill. If the proviso is left in, it will be quite a shock to me, because once the leaders in this body have made up their minds what they want to do, generally it is done.

With that situation in mind, if the distinguished Senator from New Jersey will permit me, I should like to direct my attention to the item of \$51 million, with the clear understanding that I expect the proviso to be stricken from the bill. Permit me to say that it is indeed desirable to strike the proviso from the bill. To have had it written into the bill at all was most unfortunate.

We are not passing this foreign aid bill—as the Senator from Illinois has so well pointed out today—merely because we want to be generous with all the other nations around the world. By the way, Mr. President, there is nothing in our Constitution which permits the Senate of the United States to be a social welfare body for the rest of the world. Whatever we do is supposed to be in the common defense and the general welfare of the people of the United States of America.

I can think of no greater blunder at this hour than for us to indicate by word or deed or action any lack of faith in the greatest non-Communist nation in Asia.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield for a question.

Mr. BRIDGES. Does not the Senator from Minnesota believe this bill is for the purpose of providing mutual aid?

Mr. HUMPHREY. I do believe it is for mutual aid.

Mr. BRIDGES. Then how can the Senator from Minnesota sponsor an amendment to increase the funds to be appropriated for India, when he himself has admitted that the bill is for the purpose of mutual aid, and when India has by her every act in the past few years refused to cooperate or support the objective of the United States?

Mr. HUMPHREY. Mr. President, I gather that the objective of the United States in its foreign policy, or at least one of its objectives, is to see to it that communism does not take over other countries. That is one of the reasons why we poured money into country after country. I say that no other country on the face of the earth that has gained its independence within the past 10 years, has done a greater job in protecting its own territorial integrity and in assuring the independence and freedom of its people, and in fighting the battle against communism within its own ranks, than has India.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. Mr. President, I do not choose to yield at the moment, although, of course, I shall yield very soon to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I know the Senator from Minnesota is a scholar, and is well read; but when he states that India has been the leading opponent of communism, I cannot believe that he has been reading very much in the past 2 or 3 years.

Mr. HUMPHREY. I say to my friend, the Senator from New Hampshire, that it is my understanding that our purpose in connection with a part of our foreign policy, at least, is to make sure that countries such as Great Britain, France, Italy, West Germany, Spain, Formosa, Burma, Indochina, and India do not go Communist. We have poured billions of dollars into those countries. I would say most respectfully to my friend, the Senator from New Hampshire, that the most decisive political defeat the Communist Party has suffered in the last 10 years, occurred a few months ago in India. I say to the Senator from New Hampshire and to other Senators that the Communist Party in India was literally pummeled in an election in which the Prime Minister of India and the leading political party of India chose the issue of communism, and fought it out in one of the greatest political elections in the history of independent nations.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. Of course I yield, Mr. President.

Mr. BRIDGES. Does the Senator from Minnesota recall that within the last month or two the Communist Party in India has come out in support of the Prime Minister of India and the Government of India? Is not that a little contradictory of what the Senator from Minnesota is saying?

Mr. HUMPHREY. Mr. President, if we should determine our foreign policy by the gyrations of the Communist Party, we would be in for a great deal of embarrassment, because the Communist Party switches and changes its policy and its clothes and its voice. As a matter of fact, I point out most respectfully that the Congress Party in India has been the long-time, historic enemy of communism. However, it is even more important that in connection with this bill we think in terms of some long-range objectives. I am one of those who have publicly expressed disappointment in some of the activities of some of the Indian leaders. I have said that I felt that at times they were too sensitive, and that at times they have said unkind things about the United States of America; and I think they have been entirely too friendly, in their overt acts and their words, to Communist China.

But I also know that today India is a free nation; and that more than 100 million persons in India went to the polls less than 2 years ago; and that today India represents more than 350 million persons. I know further that there

will not be a counterforce in Asia against Red China merely by building up Formosa and Korea—important as they are. It takes people to oppose people.

It so happens that we shall appropriate more funds for Formosa than we shall appropriate for the 350 million people of India. The Nationalist Government of China, on Formosa, and Formosa itself are loyal to the United States; and for that we are eternally grateful. On the other hand, we have been loyal to them. In the last appropriation bill we included an item of over \$1 billion for Indochina. We have put hundreds of millions of dollars into Korea. All of this is to the good, and I am not trying to say that we should deny assistance to one country because we deny it to another.

We are giving additional funds to Spain—which is entirely desirable under the terms of our arrangements there.

On the other hand, we must look to the long run. What happens if India is driven farther and farther into the hands of the Soviet Union?

Furthermore, the Prime Minister of India has not said any more kind things about Russia than the President of the United States has said about Russia. The Prime Minister of India went to Moscow to see Bulganin, and President Eisenhower went to Geneva to see Bulganin. Both the Prime Minister of India and the President of the United States have said kind things in their conversations with the Russians.

Moreover, when Nehru was in Moscow, to see Bulganin, Nehru got Bulganin to sign a contract or agreement of non-interference with other states, and to sign an agreement that the Cominform would no longer conduct its activities in independent countries.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield on this point?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. The Senator from Minnesota does not attach any significance to that agreement on the part of Soviet Russia, does he? The Senator from Minnesota has heard before of the so-called disbanding of the Cominform; but the Senator from Minnesota is too intelligent and too bright to put any credence in such a statement, is he not?

Mr. HUMPHREY. Mr. President, I appreciate the compliments and encomiums being tossed my way. However, what is President Eisenhower doing at Geneva, if he is not there to sign some agreements with the Russians?

Mr. BRIDGES. I did not know there were any agreements there.

Mr. HUMPHREY. If there are to be no agreements, is the President simply making a trip there?

I say most respectfully that if we are to build one country in one instance, we shall have to build up another country in another instance.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield to the distinguished Senator from California.

Mr. KNOWLAND. Mr. President, I did not intend to enter the debate, and I hope it will not be unduly prolonged. However, let me inquire whether the Senator from Minnesota is familiar with the fact that India has sterling balances with the Government of Great Britain—sterling balances owed by the British Government—amounting to more than \$1,500,000 American dollars; in other words, that is the value in American dollars of those sterling balances.

Mr. HUMPHREY. Yes; I understand they are such sterling balances, and that they are in soft currency; and there is a considerable amount of soft currency lying around in the world. However, it so happens that the people of India like hard currency; they want dollars.

In this case \$71 million is requested by the administration for the 350 million people of India, the second largest nation in the world on the basis of population—a nation that is progressing by leaps and bounds in its development; a nation which has a growing constitutional government; a nation which has taken serious measures against communism. Included in the \$71 million, which is requested, is approximately \$10 million which is to be used for loans, not grants; and also included is an item of more than \$30 million to be used for the purchase of foodstuffs from American agricultural surpluses.

Mr. BRIDGES. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. If India is so prosperous and is forging ahead so rapidly and has the greatest industrial development in the world—

Mr. HUMPHREY. I did not say that, Mr. President; I said India is moving ahead and I said we should be aware of her progress; and I remind the Senate that India has a population of more than 350 million and I also remind the Senate that, in terms of geopolitics, India is most strategically located. I further remind the Senate that India has free elections and I also remind the Senate that India does business with the United States.

Mr. BRIDGES. And I remind the Senator from Minnesota that the pending bill is a mutual-security bill.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. Is the Senator from Minnesota familiar with the fact that, in addition to the approximately \$1,500,000,000—of course, it is actually in pounds sterling—but it amounts to approximately \$1,500,000,000, at the present exchange rate, India also has a charge of upward of \$600 million against Pakistan? While I do not wish to go into the details with respect to their metallic base, they also have a substantial gold reserve.

Mr. HUMPHREY. I appreciate those facts, Mr. President.

Of the total amount which is being asked by the Senator from Minnesota, \$61 million, the State Department testified that \$60 million would be in loans.

If that is the case, this is the best investment and the best loan we could make, because if only \$61 million is being asked, and \$1 million goes to Nepal, and \$60 million to India, with all the gold reserves and sterling silver the Senator from California talks about, India will pay back her loan. In fact, she is already paying on her loans to the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I do not know whether the Senator was present when the distinguished Senator from Virginia [Mr. BYRD] spoke, and mentioned the \$280 billion debt of the United States. Is the Senator aware of the fact that the Government of India has an internal debt of less than \$400 million?

Mr. HUMPHREY. I am aware of that fact. The Government of India is making tremendous efforts to try to establish a going enterprise, a going democracy, and I think we ought to help her.

I think I should say one thing further—

Mr. SPARKMAN. Mr. President, will the Senator yield before he gets away from that point?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. Is it not true that of the \$71 million total, \$30 million would have been used in connection with the disposal of agricultural surpluses?

Mr. HUMPHREY. That is correct.

Mr. SPARKMAN. And that more than \$60 million would have been in the form of loans, leaving virtually nothing for grants?

Mr. HUMPHREY. That is practically correct.

Mr. SPARKMAN. Is it not true that heretofore India has been taking care of her obligations to the United States?

Mr. HUMPHREY. India has done so. India has made her contributions to international organization. She pays her debts.

I point out that most of the loans we would make would be spent in America, for American equipment and American fertilizer. \$30 million would be spent for American locomotives, and \$30 million for American food, the loans to be paid back to the United States.

India may not talk as much as we would like to have her talk, in terms of being on our side. We divide the world into the free world and the Communist world. India is neutral. So is Sweden. So is Switzerland. So is Finland. We like those countries very well. Some of them recognize Red China.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. In a moment.

Some of them recognize Red China, as does India. No one would say that Sweden, Finland, and Switzerland are not great democracies. No one can say that they do not do their part for world freedom. I realize that those nations have not asked for foreign aid, but I realize that India came out of colonialism less than 10 years ago. I realize the abject poverty that exists in that country. I realize, as does the Senator, that in the soil of poverty, misery, and sickness which prevails in these backward and undeveloped countries there is fertile

ground for Communist growth and infiltration.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield in a moment.

I should like to point out to my friend that the United States takes the bulk of Indian exports of monazite sands, manganese, and mica. The Chinese Communists and Russia would be delighted to get these and other strategic materials from India.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment.

There is legislation on the books, as we know, designed to control the flow of these strategic materials and to prevent them from going to the Soviet bloc.

Does India cooperate? I refer to the Battle Act. Perhaps she does not cooperate publicly, and perhaps she does not talk about it, but let us look at the record.

In 1951, before the Battle Act, the total value of Indian exports to the Soviet bloc was \$30,900,000. By 1953 the value of such exports had dropped to \$14,600,000. That includes both strategic and nonstrategic goods. The figures for Indian imports from the Soviet bloc are even more startling. In 1951 India imported \$38,400,000 worth of goods from the Soviet bloc. By 1953 the figure of imports had dropped to only \$7,900,000.

India has been playing ball, so to speak, on the issues we think are important. The State Department thinks so. Representatives who have visited that country think so. I say that the only reason these funds are being reduced at this particular time, and in this bill, is as a sort of reprisal against India for what is considered to be her petulant action, at times, as reflected in the speeches of her leaders and in the activities of some of her representatives with whom we do not seem to agree.

Mr. WELKER. Mr. President—

Mr. HUMPHREY. This is a poor way to conduct our foreign policy. When I think of the money we have poured into other countries, I am amazed. Speaking of helping countries which do not agree with us, only the other day I read a statement to the effect that the President of the South Korean Republic had rebuked President Eisenhower for going to Geneva. I heard the President of the South Korean Republic, speaking before a joint meeting of the two Houses of Congress, say that we ought to invade North Korea, which is a cold contradiction of American foreign policy.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield first to the Senator from Idaho [Mr. WELKER].

Mr. WELKER. Mr. President, I appreciate the kindness of my friend from Minnesota.

He has mentioned monazite sands, a highly strategic material. I wonder if the distinguished Senator from Minnesota happens to know about the production in the United States of monazite sands.

Mr. HUMPHREY. I am not very familiar with it.

Mr. WELKER. A moment ago the Senator made the statement that India had given all her monazite sands to the United States.

Mr. HUMPHREY. No. I said that she had sold them.

Mr. WELKER. Does the Senator realize that the State of Idaho produces more monazite sands than any other State in the Union, and that we cannot even sell them here?

Mr. HUMPHREY. I hope Idaho produces them. My only point was that the sands were not being sold to the Communist bloc. They were being sold to the free world.

Mr. WELKER. They were being sold to the free world. I think the Senator will remember when we had to give them butter a few years ago before they would sell that commodity to us; and we have it running out of our ears in Idaho.

Mr. HUMPHREY. Mr. President, I shall say no more on this subject. I merely say that I think we ought to look after our own interests.

Mr. HUMPHREY subsequently said: Mr. President, in connection with my remarks concerning the amendment on page 3, line 14, and my references to India, I ask that a statement and several newspaper clippings be printed in the RECORD.

There being no objection, the statement and newspaper clippings were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

From the point of view of American foreign policy, economic aid to India to help that country's economic development occupies a special place. As pointed out in *Partnership for Freedom*: (ADA's pamphlet on economic development), the main thrust of Communist expansion is now directed against economically underdeveloped countries. The Communists have argued that their system of development under regimented, authoritarian methods will raise the standard of living and improve the conditions of the working population faster than the methods of democratic government. The showcase examples of this are China and India, which the whole Asian world is watching. The Chinese are claiming spectacular results in their efforts to industrialize China, improve its agriculture, and bring benefits to its people. India, for all the talk of neutralism, is firmly committed to the democratic methods of development and this country has an enormous stake in seeing that the Indian program of development is successful. Nothing would more strengthen the Asian forces of democracy than a demonstration that India with the help of the free nations of the West can carry out a program of economic development under a democratic regime.

India presents a case of special importance in another respect. Underdeveloped countries differ very greatly in their capacity to absorb capital for economic development. In the very earliest stages of the transition from an undeveloped rural economy, productive applications of capital must proceed slowly to provide what might be called the economic and social preconditions to development. As development progresses, the economy grows more rapidly and both the opportunities for productive investment and the generation of native capital increase. India is notable among the countries which have made progress to the point where they are now able to absorb productively increasing amounts of capital and where capital assistance from abroad will stimulate both pro-

duction and sources of Indian capital at an accelerated rate. India has now reached the stage approximating the stage which our own country had reached in the first half of the 19th century. It has achieved the preconditions of economic growth and has formulated a program for development. The major limitation on the Indian program is now the availability of capital. There is a tendency of course to harbor resentment against India for its so-called neutralist attitude. While this resentment may be understandable, from the point of view of United States policy it would be shortsighted and self-defeating to permit this attitude to stand in the way of our program of economic aid to India. Again the analogy to our own history is instructive: in its preoccupation with its own problems and its own development, India feels now as the United States did in the early 19th century that its welfare lies in building its own strength and independence as a necessary prerequisite to its survival. From the point of view of the United States, a failure or a slowdown of the India development program would provide the Soviet world with its propaganda example par excellence. Nothing would please the Soviet world more than to step into the breach created by the failure of the West to help India and to provide such comparatively small amounts of capital as are at issue in this appropriation.

There are several points worth noting about the India program as formulated by the administration. The first is that a very large fraction would be made available to the Government of India in the form of loans. Last year this was 75 percent of the total India program, and there is no reason to assume that it would not be substantially the same this year if the program is carried out as formulated in the appropriation request.

A second point is that \$30 million of the original \$70 million requested is intended to finance the sale of United States surplus agricultural commodities—\$14 million for wheat and \$16 million for cotton. The proceeds of the sale of these commodities in India by the Government of India—the counterpart funds—would be devoted to Indian development projects. Obviously, the need for dollars for capital purposes being so great, India will have to curtail its use of dollar exchange for consumption if the total amount of the program is reduced. This would mean less sales of surplus wheat and cotton.

The rupees available in counterpart funds are intended for use in multipurpose river-valley-development projects to provide irrigation, flood control, and power. These, of course, are all greatly needed to expand Indian production.

Specific among the purposes for which these funds are intended are:

The continuation of malaria control, using United States manufactured supplies. These control programs must be maintained continually for a number of years—at least 5—in order to be effective; otherwise the progress made is lost.

Fertilizer purchases in the United States for increasing food crops.

About \$15 million of purchases of steel from the United States. India is short of steel and is operating under an allocation system under which it is particularly difficult for new manufacturers and small manufacturers to obtain allocations necessary for their continued growth.

It is impossible to say precisely how the program would be redesigned in the event of a severe cutback in the total appropriation. In general it is true that the purchases of United States materials would decline since India would be forced to look to closer and therefore lower priced sources.

From the point of view of United States foreign policy, perhaps the most serious of

the committee's actions is the proviso that no part of the President's fund for Asian economic development shall be used for projects in India. This fund (\$200 million requested, \$100 million approved by the House, \$150 million approved by the Senate committee) is intended for a revolving fund for multicountry development projects (for example, river developments crossing national frontiers, deepening of harbors to promote trade among Asian countries). The administration concedes that only \$100 million of this might be obligated in the fiscal year but requested the additional \$100 million as no-year appropriations to give assurance of the continuity of the program. Regardless of the amount, however, very great damage would be done by writing in a specific exclusion of India from this program. In the first place this is a gratuitous and vindictive affront to India. In the second place, India and Japan, being the dominant countries of the arc of Asia, it is difficult to see how a program could operate under a flat statutory exclusion which would prohibit Indian participation or projects in India. Even if it is finally determined to be the intent of the Senate to concentrate this program in other parts of Asia, ways should be found of doing this other than writing it into the statute.

ELIMINATE DISCRIMINATION AGAINST INDIA

Effect of Appropriations Committee Language (p. 3, lines 14 to 18): This language, including the proviso, would limit assistance to India to \$50 million. It singles India out as the one non-Communist Asian country not to be considered for assistance under the President's Special Fund for Asia.

Legislation in appropriations bill: This language is probably subject to a point of order as a violation of senate rule XVI, paragraph 4, which provides that "no amendment which proposes general legislation shall be received to any general appropriations bill."

Makes an enemy of the strong: The appropriations language picks out the biggest, the most powerful, and the most influential free nation in Asia and says in effect that we don't trust her; it lines us up with the weak nations of Asia and tends to drive the most powerful nation into the hands of the Communists.

It would be better to do nothing than to do it this way.

Where did this amendment come from? It looks like a China lobby amendment to punish India for being friendly with the Chinese Communists, for urging Communist admission to the U. N., and for not being in love with Mr. Chiang Kai-shek.

It seeks to punish Mr. Nehru for having a talk with Mr. Bulganin—the very thing the President is now doing.

Neutral India: India is neutral on our side. She doesn't go around shouting that she loves us. But the record shows she's a free nation.

Monazite sands, manganese, mica: The United States takes the bulk of Indian exports of these critical materials. The Chinese Communists and Russia would be delighted to get these and other strategic materials from India. If we keep up our sniping at India she may well look elsewhere to sell these materials.

The Battle Act: There is legislation on the books designed to control the flow to the Soviet bloc of strategic materials from free countries receiving our aid. Does India cooperate? Maybe not publicly, but look at the record. In 1951 the total value of Indian exports to the Soviet bloc was \$30.9 million. By 1953 the value of those exports dropped to \$14.6 million. In other words, this trade was halved in 2 years.

The Indian import figures from the Soviet bloc are even more startling. In 1951 India imported \$38.4 million worth of goods from the Soviet bloc. By 1953 the value of such imports had dropped to \$7.9 million.

If we want to reverse this trend, the process is simple. All we need to do is to continue to insult India and to make it impossible for her to participate with other free nations in developing their own trade relations by use of the President's fund. This will force India to look to the Soviet bloc for trade purposes.

American fliers: Had it not been for Mr. Nehru we would not have gotten back 4 of our 11 fliers. I hope he can help us get the others back. But why should Nehru keep on helping us if we take every chance we get to push India into Communist arms?

India fights Communists: At the elections last March in the Indian state of Andhra, the Indian Communist Party was routed—largely as the result of the personal leadership of Mr. Nehru. The New York Times reported that the Communist Party in Andhra was left politically crippled and publicly rejected.

"INDIA REDS ROUTED IN ANDHRA VOTING—BIG GAIN BY NEHRU—ONCE COMMUNIST STRONGHOLD BACKS CONGRESS COALITION IN LANDSLIDE BALLOT SHIFT"

(By A. M. Rosenthal)

"NEW DELHI, INDIA, March 2.—The Indian Communist Party has taken a drubbing at the polls in the state of Andhra. It has been left politically crippled and publicly rejected in a state that has been a Communist stronghold.

"The results of the hardest-fought elections in independent India's history show that a coalition, led by Prime Minister Jawaharlal Nehru's Congress Party is piling up a landslide majority. The heavy vote in favor of the coalition has stunned the Communists and has come as a shock even to Congress Party leaders.

"Late tonight, with more than a third of the vote counted, the 3-party coalition had won 57 seats in the state legislature, the Independents had taken 11, the Praja Socialist Party had won 5, and the Communists were bringing up the rear with 4.

"Communist leaders in New Delhi tonight said that their candidates were being routed in normally Communist districts and that the returns still to come could not change the picture of a heavy Congress Party majority in the new legislature.

"LEFT WITHOUT A VOICE"

"One Communist politician said this: 'In the last Andhra legislature we were almost as strong as the Congress Party. In fact, we were dictating terms. Now our party, in effect, has been left without a voice.'

"K. A. Nambiar, Communist member of India's lower house, said that the results so far were 'impossible.' He said the only way the Communists could have lost so heavily was by crooked poll-counting.

"It was believed in New Delhi that the Communists would open a drive in the national Parliament and in the Communist press to attribute their defeat in Andhra to fraud at the polls. The elections took place on 5 polling days last month and the counting began yesterday. The election boxes have been under police guard but the Communists indicated tonight that they would charge that stuffed boxes were substituted en route to the counting stations.

"The 11 million voters in Andhra have been choosing a legislature of 196 seats. In the old legislature of 140, the Communists held 45 and the Congress Party 46. The Communists were so strong and the Congress Party so weakened by internal dissensions that the Communists, in November 1954, were able to topple the Andhra State Government and force new elections.

"On the basis of the results so far, a Communist politician predicted that the coalition led by the Congress Party, would get 150 seats in the new legislature. The results so far show that the Communist opposition leader in Andhra, T. Nagi Reddi, has been

defeated and so has his deputy, M. Hanmantha Rao.

"There are more fragments that add up to a Communist debacle. In the normally Communist town of Vijayawada the Communists once held two seats; tonight they hold none.

"Badava Punniha, member of the upper house of the Indian Parliament and an official of the Central Committee of the Communist Party, sent into the election fight for his prestige value, has been defeated.

"Politicians agreed tonight that one big reason for the Communist defeat was the formation of the anti-Communist coalition, a move strongly supported by Mr. Nehru. Joining with the Congress Party were the People's Party and the Farmers Party. They agreed not to split the vote by putting up opposing candidates. United, they routed the Communists.

"The Communists and the Congress Party put a great amount of prestige, money, and organizational talent into the fight for Andhra, a tropical state where political passions run high and violent.

"Mr. Nehru himself toured the state and urged the people to reject the Communists. His lieutenants then ran an even more bitterly anti-Communist campaign in Andhra, telling the people that the security of the whole country, as well as the future of their own state, was up for decision.

"The election results do not indicate the relative showings made by the three parties in the anti-Communist coalition. But the leaders of the Congress Party are hoping that the Andhra results will revitalize the party throughout the country.

"The hope, too, that the Andhra election will weaken the Communists in other parts of south India where the Communists have been making a concentrated attempt to carve out a political belt."

India supports efforts to reduce tension: As recently as May 31, Nehru praised President Eisenhower for his efforts to lower tensions in the world.

"[From the New York Times of June 1, 1955]
"EISENHOWER GETS PRAISE OF NEHRU—INDIAN LEADER IN RARE PRESS CONFERENCE HAS GOOD WORD FOR THE SOVIET, TOO

(By A. M. Rosenthal)

"NEW DELHI, INDIA, May 31.—Prime Minister Jawaharlal Nehru praised President Eisenhower and the United States today for helping to lower tensions in the world.

"The Indian leader also had a pleasant word for the Soviet Union, Communist China, and Britain. Because of Mr. Nehru's sharp statements in the past on United States foreign policy, diplomats in New Delhi were paying special attention to his comments on Washington.

"Mr. Nehru held a 2-hour press conference in which he ranged a wide field of international and Indian affairs. He was aware that comments on foreign affairs were expected and he gave them.

"His voice became enthusiastic when he turned to problems of India's economic planning that have been taking up most of his working day for weeks.

"With Mr. Nehru press conferences are rare affairs. The last time the Prime Minister held one was in November 1954. The occasion for today's was the fact that Mr. Nehru will leave Saturday for a visit to the Soviet Union with stop-overs on the return journey in Poland, Yugoslavia, Egypt, Austria, and Italy.

"NEHRU'S TONE MILD

"Mr. Nehru has been a sharp and public critic of United States foreign policy in the past but today his tone was mild. The Indian Government believes the chances are better now for United States-Chinese Communist negotiations and he also believes it is up to all the interested parties to say

nothing that might upset things. Mr. Nehru's comments seemed to be in line with those beliefs.

"No Indian leader recalled that last year he had praised President Eisenhower for contributing greatly to the lessening of world tension. Other steps had been taken since then in the United States that confirmed his impression, Mr. Nehru said.

"I think that applies also to many developments in the Soviet Union, China, and in the United Kingdom," he said, "so there has been in spite of suspicion a tendency in the right direction which is greatly to be welcomed.

"There is a little more hope in the world and there is a little more understanding in the world," he said at another point. "I do not wish to exaggerate, but that is the general impression one gets."

"Mr. Nehru said the Chinese Communists had released four United States airmen 'as a first step.' He welcomed the move as helping in the general trend.

"Mr. Nehru made it clear that he was still unhappy about the West's systems of military alliances, especially Pakistan's adherence to them. In reply to a question, he said he believed the decision of the eastern European Communist lands to form a unified command also added to fears and tensions.

"Another questioner asked Mr. Nehru about the Cominform, the Soviet-dominated group of Communist parties. He replied that at the Asian-African Conference at Bandung, Indonesia, he had declared that the operations of the Cominform amounted to interference and were not compatible with the noninterference clause of the conference declaration.

"HOPES TO EASE TENSIONS

"As for his visit to the Soviet Union, Mr. Nehru said he hoped it would help in lowering international tensions. He said he was more interested in getting the feel of the Soviet Union than in seeing any specific thing.

"Turning to the problem of Indian-Pakistan relations Mr. Nehru said recent talks he had with Prime Minister Mohammed Ali, of Pakistan, covered new ground and avoided dead ends.

"Mr. Nehru has been under pressure from the Praja Socialist Party to take strong action against Goa, a Portuguese colony on India's west coast. Mr. Nehru insisted that while India could take economic and other peaceful measures against the Portuguese she could not abandon the principals of non-violence."

How the Russians treat India: In sharp contrast with the action proposed here, note the New York Times account of the way the Russians treated Mr. Nehru. "Nehru in Moscow—Ovation Stunning," reports the New York Times in its headline. The Russians are "smart like a fox." It's about time our attitudes toward India were based on good sense and not wild, irresponsible emotionalism. I ask unanimous consent that the five points of agreement between Prime Minister Nehru and Premier Bulganin be printed at this point in the RECORD:

"At the invitation of the Government of the U. S. S. R. Shri Jawaharlal Nehru, Prime Minister of India, has paid a visit to the Soviet Union. During his stay in Moscow he had several talks with Mr. Bulganin, Prime Minister of the Soviet Union, and other members of the Soviet Government.

"These talks have taken place in a friendly and cordial atmosphere, and have covered, over a wide range, both matters of mutual interest to the two countries and the larger problems of international interest and concern arising from current world affairs.

"The relations between the Soviet Union and India happily rest on a firm foundation of friendship and mutual understanding. The Prime Ministers are resolved that these

relations shall continue to be informed and guided by the following principles:

- "1. Mutual respect for each other's territorial integrity and sovereignty.
- "2. Nonaggression.
- "3. Noninterference in each other's internal affairs for any reason, of an economic, political, or ideological character.
- "4. Equality and mutual benefit.
- "5. Peaceful coexistence."

Who gets hurt by this amendment aimed at India? This amendment doesn't hurt the Soviet—it helps the Soviet win friends in India. While the amendment may hurt India, if we manage to take India out of the arc of free Asia, we will weaken every free nation in Asia. I can't believe the sponsors of this amendment believe it will promote the national interest of this country.

Does this language express the sense of the American people? I can't believe that the American people would support petty, petulant action of this kind. We are too big and too understanding a people to engage as a matter of national policy in forcing free nations into a satellite posture before we give them assistance, especially when the only reason we provide assistance is to promote our own national interest. I cannot support making India a whipping boy for political interests in this country.

Finally, I cannot support legislation which seems to be based on the assumption that every nation in this world is either with us, or against us. That is a totalitarian approach to foreign policy with which I cannot agree. I am willing to divide the world for purposes of discussion into the Communist world and the free world, but only to provide a basis for the observation that the fundamental characteristic of the free world is freedom—freedom to disagree with us and freedom to agree. We do not promote freedom by a foreign policy based on the concept of reward and punishment, of candy or a stick. Freedom is promoted if we treat other free nations as equals and if we encourage them severally and jointly to develop their free political and economic institutions.

I propose that we strike this offensive language from the bill.

"[From the New York Times of July 20, 1955]

"LETTERS TO THE TIMES—NEHRU'S VISIT TO RUSSIA—BENEFITS TO FREE WORLD FROM PRIME MINISTER'S TRIP EVALUATED

"(EDITOR'S NOTE.—The writer of the following letter is president of the India League of America.)

"To the EDITOR OF THE NEW YORK TIMES:

"The United States press, radio, and other media of information have been quite critical of Nehru's visit to the Soviet Union. Your own editorial was quite severe. Americans were not happy either to hear that Nehru had invited Premier Bulganin to visit India. Above all, they were quite annoyed that a joint statement was issued by Nehru and Bulganin.

"I venture to suggest that Nehru's visit to the Soviet Union, especially in long-range terms, will be very beneficial and helpful to the cause of the free world.

"Those who have had the opportunity of watching Chinese Premier Chou En-lai at Geneva last summer and later at New Delhi and Rangoon and again early this year at the Bandung conference maintain that contacts with the outside world, and meeting people like Eden, Mendès-France, Nehru, U Nu and other Asian and African leaders at Bandung, has left a deep mark on Chou En-lai. It is hoped that Bulganin, too, may learn a lesson or two in the free atmosphere of a democratic republic like India.

"In the deluge of criticism of the joint statement issued by Premier Bulganin and Prime Minister Nehru one very important point went unnoticed.

"COMINFORM ACTIVITIES"

"Prime Minister Nehru has unequivocally declared that the activities of the Cominform represent interference in the internal affairs of other countries. Not only has Nehru come out against the Cominform but the Congress Party, the ruling party of India, has officially denounced the activities of the Cominform.

"Yet Prime Minister Nehru got Marshal Bulganin to sign a statement in which one of the clauses provides for 'noninterference in each other's internal affairs for any reason, either of economic, political, or ideological character.' Informed sources in India believe that as a result of the Nehru-Bulganin joint declaration the Cominform is likely to be dissolved. If that happens, it will be most welcome and excellent news. We all know that the danger of overt aggression by the Communists has been greatly lessened, but not the danger of subversion.

"It is true that even if the Cominform was dissolved, subversive activities could be continued. But having agreed to noninterference in the affairs of other countries in a joint declaration, if the Communists surreptitiously continue their activities they will be doubly condemned. Then Asians, too, will lose all faith and trust in the written promises of the Communists.

"One more point: The headlines and interpretive writings have created the impression that the joint statement of Prime Minister Nehru and Premier Bulganin took the 'extreme' position on Formosa of handing it over to Communist China. This is not correct.

"DECIDING LEGITIMATE RIGHTS"

"The clause on Formosa in the declaration reads as follows: 'It is the earnest hope of both the Prime Ministers that it will be possible by peaceful means to satisfy the legitimate rights of the Chinese People's Republic in regard to Taiwan' (Formosa). The operative word in this sentence is 'legitimate.' Who is to decide what are the legitimate rights of the Chinese People's Republic in Formosa? The Prime Ministers did not say that in their opinion the 'legitimate rights' of the Chinese Communists are that Formosa should be handed over to them.

"It is obvious from this statement that the question of the 'legitimate rights' must be negotiated, perhaps at a roundtable conference, under international auspices. This is not much different from the British or the American position.

"And what is even more important is the fact that Prime Minister Bulganin agreed to a settlement of the Formosa question by peaceful means.

"Finally, one need have no fears that Prime Minister Nehru was 'taken in,' during his visit to the Soviet Union, or that he is so naive as not to see the difference between dictatorships and free countries. Nehru is one of the greatest living champions of the democratic way of life and the dignity of man. He has fought for these principles all through his life, and he will die fighting for them. And, what is more, his faith in democracy is so complete and intense that he has no cringing fear of communism.

"J. J. SINGH.

"New York, July 17, 1955."

Mr. LEHMAN. Mr. President, last month I and the overwhelming majority of other Members of the Senate voted in favor of the mutual-security authorization bill. I am confident that the vote was so unusually one-sided and controversy was so lacking in large part because of the great respect which all of us have for the senior Senator from Georgia [Mr. GEORGE], in particular, and for other members of the Foreign Relations Committee.

Today we are faced with a decision which we shall all have to make shortly when the vote on this committee amendment is taken as to whether we still support the statesmanlike position enunciated so clearly to us by the Foreign Relations Committee in its report on the mutual-security bill. I should like to read an excerpt from that report:

India is a free, sovereign nation, which in its domestic policy follows a firm anti-Communist line. Its foreign policy is one which seems to India best designed to protect and promote India's interests. Despite their differing policies toward the Soviet Union, the United States and India share a common devotion to free representative forms of government. A strong, free India is an immeasurable influence for a strong, free Asia. Certainly it is far preferable for India to be neutral than to become a member of the Soviet bloc. The committee recommends approval of the full amount requested for India, which is approximately the same as last year, and which will be used to a considerable extent in the form of loans.

That, Mr. President, is the language of our Foreign Relations Committee. That was the basis for its recommendation of an authorization of \$70 million for development assistance for India this year. That was what this body overwhelmingly endorsed only a few weeks ago.

Has anything occurred on the international scene since that date that might affect the position which we so recently took with regard to India? Yes, Mr. President; there have been developments of note. A conference is being held in Geneva in which our lives and the lives of our children may well be at stake. Yesterday President Eisenhower told the world how he had searched his heart and mind for a proposal which would demonstrate to the most skeptical precisely how much this Nation of ours is willing to do to insure a real lasting peace among nations.

It does no good for the President to make such a statement, avowedly to clarify our position as a peace-loving nation, and then for us here in Congress to vote to reduce drastically economic aid to one of the greatest new nations of our time because some of us do not think she is sufficiently toeing the mark, our mark. By reducing by almost 30 percent the vital economic aid this Congress authorized for India, we would be effectively undercutting our efforts at Geneva.

Mr. President, I do not wish to be a party to such an action during this crucial week in the history of our times. I want the press, radio, and diplomatic channels to inform the Conference in Geneva and the entire world that the Senate of the United States wants a peaceful world. I want the world to know that this great body, representing the most powerful free people on earth, does not believe that every other nation and every other people must always obey our wishes and follow our leadership if they are to enjoy our friendship and our assistance. We do not always see eye to eye with India, nor with her leader, Prime Minister Nehru. But the people of India are freedom-loving people, like our own. We must help them to help them-

selves, in their own way. That is one of the answers to communism in Asia.

Therefore, Mr. President, I am going to vote against the committee amendment reducing development assistance to India. I hope that the great majority of my colleagues, after considering the many implications of a substantial cut in funds for India at this time, will likewise vote against the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, line 14.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. NEUBERGER. Mr. President, I rise in support of the position taken by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from New York [Mr. LEHMAN] on the pending amendment.

I was very much interested in the remark of the senior Senator from New Hampshire [Mr. BRIDGES] that his was a mutual program in which there should be reciprocity. I should like to point out to the Senator from New Hampshire that in one respect, which has been ignored thus far on the floor of the Senate, there has been reciprocity. It has been within the power of the Government and the people of India in the past year to strike a terrible blow at the children of America. At any time India could have completely terminated the Salk vaccine program, which has been discussed time and time again on the floor of the Senate, merely by putting a ban on the exportation of rhesus monkeys from India to the United States.

The monkeys are sacred animals to millions of people in India. The Government of India has defied public opinion to permit the exportation of the Rhesus monkeys, so that they could be used—

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. NEUBERGER. I shall be happy to yield to the Senator from New Hampshire after I have finished this sentence. The Government of India has permitted the continued exportation of the Rhesus monkeys so that they could be used experimentally in the Salk vaccine program, which is so important to the children of America.

I am now glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. Were these monkeys donated to this country?

Mr. NEUBERGER. No; they were not donated.

Mr. BRIDGES. Were they paid for?

Mr. NEUBERGER. Neither is the money involved in the bill to be donated to India.

Mr. BRIDGES. What is not to be donated?

Mr. NEUBERGER. Let me say this about the monkeys being donated. The monkeys that are being sent to the United States are being sold to the United States. They are being sold to the United States over the great emotional resistance of millions of people in India. I can imagine what would happen in the United States if dogs and cats, beloved by millions of Americans as

pets, were being sold to another country for experimentation in medical research.

Mr. BRIDGES. I thought the Senator was going to mention squirrels.

Mr. NEUBERGER. No, I did not mention squirrels, because squirrels interfere so much with the golf putting at the White House that many of them are gone. Therefore, I did not mention something that is gone.

However, I will say it is quite interesting that this subject should be considered such a joke. Only recently I heard the Senators from Idaho talk about the tragic deaths which occurred in Idaho of children who had received vaccine which had not been properly tested. The Senators from Idaho very properly protested, particularly the junior Senator from Idaho [Mr. WELKER], who I do not believe is on the floor at the present time.

Let me say further to the Senator from New Hampshire, so far as medical research now knows, there is only one way of testing the vaccine so as to prevent tragedies such as have occurred in Idaho, and that is with the use of rhesus monkeys imported from India. The vaccine is injected into the monkeys, the monkeys are destroyed, and the tissues of the dead monkeys are examined.

All this may be a joke, or something to laugh about. However, it is not anything to laugh about when vaccine is not tested adequately. I should like to read from an Associated Press dispatch which I took from the news ticker earlier today. It reads:

NEW DELHI, INDIA.—The United States will get all the Indian rhesus monkeys needed for Salk antipolio vaccine work under a new agreement with India, an informed source said today.

The 1-year agreement, expected to be announced in Washington and New Delhi in the next few days, replaces a temporary arrangement in effect since last April and will be effective August 1 the informant said.

They added the pact requires the United States Government to guarantee the status of American agencies using the monkeys, which would be shipped only by Indian exporters certified by the Indian Government.

I emphasize the next sentence:

Many Indians consider monkeys sacred. Complaints that monkeys were being mistreated led to India banning shipments last March. The ban was partly lifted a month later with a temporary licensing system.

Mr. President, for some months, while we have been discussing the Salk vaccine program on the floor of the Senate, I have been interested in the subject because I read in a British magazine about the terrific feeling which had occurred in India when 3 or 4 hundred monkeys died in transit in London while they were on their way to the United States.

Quite a sacrifice is being made by the Indian people who consider the rhesus monkeys sacred. It may be funny that they consider the monkeys sacred. However, I warrant that one people necessarily do not understand all the customs of another people. It seems to me that the Government of India has been quite courageous in defying public opinion, in sending and continuing to send the monkeys to the United States. Thousands of monkeys are needed in the Salk vaccine program, and perhaps one of the

things that has made this program break down has been the fact that so many monkeys must be destroyed in order to test the vaccine.

I have before me several clippings from Indian newspapers describing the feeling in India in protest against the sending of the monkeys to the United States. The Government, nevertheless, has continued to give permission to the exportation of the rhesus monkeys to the United States so that the program can be carried on for the benefit of the children of America.

I ask unanimous consent that the items taken from various Indian newspapers and elsewhere be printed in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Statesman of February 5, 1955]

MONKEYS' EXPORT OPPOSED—APPEAL TO INDIAN GOVERNMENT

LONDON, February 3.—A deputation from British animal protection societies today asked the Indian Government to prohibit the export of monkeys.

The request was made at a meeting here today with Mrs. Vijayalakshmi Pandit, India's High Commissioner in London, and other top officials at India House.

The deputation, led by Mr. Peter Freeman, a labor member of Parliament and a member of the Council of the Royal Society for the Prevention of Cruelty to Animals, was cordially received.

They pointed out that in the last 2 years 100,000 monkeys have passed through London airport for the United States of America. Of them 75 percent were intended for experimental purposes, the deputation alleged and the remainder for use in rocket research.

After the meeting an RSPCA spokesman said that although they had provided a hostel at the airport to give the creatures some comfort on their journey, casualties in the 2 years had amounted to about 1,000.

[From the Statesman of February 5, 1955]

ONE HUNDRED AND FIFTY MONKEYS SEIZED IN DELHI—CASE FILED AGAINST FIRM

About 150 monkeys were seized by the SPCA, Delhi, from a place on Bela Road on Friday. The monkeys belonged to the proprietor of a New Delhi firm and were packed in five crates, which, according to the SPCA, were below standard. A case has been filed against the proprietor of the firm.

The SPCA stated that the crates did not conform to the Indian Tariff Rules which prescribed dimensions and sizes of crates for transporting monkeys. The substandard crates had resulted in injuries to the animals, some of which had been badly maimed.

The monkeys are earmarked for export and they were brought from Lucknow.

[From the Times of India of February 16, 1955]

CAUSING CRUELTY TO MONKEYS—RS.50 FINE IMPOSED

For causing injuries to monkeys by crowding them in smaller crates, Hardit Singh, a businessman of Karol Bagh, was on Tuesday sentenced by Dewan Gopal Saran Das, magistrate, to a fine of Rs.50 or in default undergo simple imprisonment for 1 week.

According to the prosecution, 133 monkeys were found crowded in 5 crates at Bela Road by Mr. Madan Lal, an inspector of the Society for Prevention of Cruelty to Animals. The crates belonged to the accused. On examination by a veterinary inspector some of them were found to have sustained injuries. The accused had brought these monkeys from Lucknow for sale to a Delhi firm

which exports monkeys to the United States.

While sentencing the accused, who had pleaded not guilty to the charge, the magistrate said that 5 crates of 31 cubic feet each should have been used to bring so many monkeys. The crates in which they were brought were measuring about 18 cubic feet each, he said. The railway booking clerk at Lucknow should have checked up whether the sizes and structures of the crates conformed to the rules or not.

[From the Statesman of March 11, 1955]

BAN ON EXPORT OF MONKEYS—GOVERNMENT'S PRIOR APPROVAL NEEDED

NEW DELHI.—While a number of States are offering prizes for the slaughter of monkeys and issuing special gun licenses for the purpose, the Government of India today announced a total ban on the export of monkeys except with its prior approval.

The sole cause of this step is the recent accident in London in which some monkeys were suffocated to death.

The exceptional nature of the incident has not deterred the Government though the monkeys were employed purely for medical research, especially on polio, from which hundreds suffer in India.

Today's Government decision modifies the 1946 notification which defined a close season—March 31 to August 31—during which the export of monkeys was banned.

Free export by air was allowed during the rest of the year on the condition that monkeys were required for medical research and were given humane treatment in transit.

EXPORTERS' VIEWS

The ban on the export of monkeys from India to the United States of America, the United Kingdom, and other parts of the world may have far-reaching consequences, according to exporters in New Delhi.

Mr. T. E. Patterson, who exports 60,000 monkeys from India every year at a cost of several lakhs of rupees, said on Thursday that research for the prevention of polio being conducted by the United States National Foundation for Infantile Paralysis would be seriously affected by the ban. Americans, he said, had invested millions of dollars in this research work. India would not only lose money as the monkeys were "tremendous dollar earners" but might also lose its market for monkeys permanently by once stopping their export.

Rhesus monkeys, on which research is conducted, cannot be replaced by other species of animals for certain reasons, one of them being the possible nonavailability of large quantities of animals other than monkeys.

MONKEY MENACE

Mr. Patterson disclosed that he had received 200 to 300 letters from people in different parts of Northern India urging him to arrange for the catching of monkeys in order to rid them of the menace.

By imposition of the ban, he said, 1,000 people, including 700 trappers, employed by him would be without work.

He claimed that the monkeys exported by him were looked after properly; his losses had been none so far. He had arranged to fly his consignment this week.

Another exporter feared that thousands of monkeys would be held up in Delhi, Calcutta, and Bombay, the three exporting centers, by the ban. One monkey costs about Rs. 10 and is sold in the United States of America for \$3.50 or \$3.75. In addition there would be the expense of feeding the monkeys.

[From the Hindustan Times of March 12, 1955]

EXPORT OF MONKEYS BANNED

The Government of India have decided to ban the export of monkeys, except with their prior approval, says a press note.

Under a notification issued on September 7, 1946, the export of monkeys by sea or

land was banned during March 31 to August 31 each year. During this period, exports were allowed only by air if the Government were satisfied that monkeys were required for medical research and the monkeys received humane treatment while in transit. There was no restriction on exports, during the open season, that is, the period September to March.

By a notification issued on Thursday, the Government of India has decided that with immediate effect the export of monkeys should not be allowed except with their prior approval.

[From the Times of India of March 16, 1955]
ALLEGED CRUELTY TO MONKEYS—ASSEMBLY QUESTIONS

(By a staff reporter)

Mr. Brahm Prakash, Development Minister, informed the Delhi State Assembly during question hour on Tuesday that cases of monkeys meant for export having been huddled together under unhygienic conditions had been brought to the notice of the Government.

Replying to Mr. Anand Raj Surana, Mr. Brahm Prakash added that the Government did not take direct action in such cases. But cases of cruelty were dealt with by the Society for the Prevention of Cruelty to Animals.

[From the Times of India of April 2, 1955]
EXPORT OF MONKEYS

TO THE EDITOR, TIMES OF INDIA:

SIR: Shrimati Rajkumari Amrit Kaur, Union Health Minister, has written to the Ministry of Commerce to remove the ban on the export of monkeys as in her opinion such export is essential for medical research. Without going into the question of utility, is it incumbent on the Indian public to yield to every action of cruelty to animals in the name of research?

Monkeys have been considered sacred by a wide section of the Indian public from ancient times. On the one hand our Government has been preaching the doctrine of non-violence while on the other cruelty to animals is being tolerated on scientific and industrial pleas. The removal of the ban will be resented by a large section of Hindus and Jains.

TANSUKH RAI JAIN,

Organizer, Human Education Society.
DELHI, March 30.

[From the Times of India of April 6, 1955]
RAJYA SABHA QUESTIONS BAN ON EXPORT OF MONKEYS—STATEMENT BY MINISTER

Export of monkeys, except with the previous sanction of the central government, has been banned with effect from March 11 last.

Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who stated this in reply to a question by Mrs. Violet Alva in the Rajya Sabha on Tuesday, added that the idea of regulating the export of monkeys arose from the fact that when the Prime Minister was in London it was brought to his notice that monkeys had been subjected to inhuman treatment.

Mrs. Alva pointed out that in the relevant government notification export of monkeys by land and sea only was mentioned. Could they be exported by air?

Mr. Krishnamachari said that a legal interpretation might suggest that export by air was free, but that was not so.

Mrs. Alva said that it was reported in the press that Commerce Ministry officials had assured a person that the ban would be lifted in a week's time.

Mr. Krishnamachari: "I can't see how they have been authorized because I still happen to be the minister."

In reply to a large number of supplementaries about the use monkeys were put to in the United States, Mr. Krishnamachari said that government would give due regard to international codes in this regard. He had been assured by responsible men that monkeys were not used for any purpose other than medical research. As regards atomic research, one of the foremost scientists of India, Dr. Bhaba, had expressed the opinion that monkeys were not being used for that purpose. He added that recently the exports had increased because of the National Foundation of Polio Research of the United States having set about finding a vaccine for polio.

[From the Hindustan Times of April 6, 1955]
EXPORTED MONKEYS NOT USED FOR ATOMIC TESTS—REPORTED ASSURANCE TO GOVERNMENT

NEW DELHI.—Mr. T. T. Krishnamachari, Commerce and Industry Minister, stated in the Rajya Sabha today that the Government of India had been assured that monkeys exported from India were being used for medical research only and not for atomic experiments.

He was replying to a question by Mrs. Violet Alva. He added that this assurance had been reinforced by India's top atomic scientist, Dr. H. J. Bhaba.

Mr. Krishnamachari said since March 11 export of monkeys had been banned except with the sanction of the Government. One shipment of 800 monkeys to the United States of America was allowed on March 19.

There were several supplementaries on the subject. At one stage, Dr. Radhakrishnan remarked: "We should have a separate motion on the subject."

Toward the end, the Minister offered to make a comprehensive statement on the subject but before he could get even halfway through it, the question hour was over.

Replying to one of the supplementaries, the Minister said during the Prime Minister's stay in London it was brought to his notice that some monkeys had died during transit owing to inhumane conditions. Then the decision was taken to regulate the export.

Mrs. Alva asked whether it was a fact that the export had been banned only by sea and land and, therefore, by implication, not by air. There was no such lacuna, the Minister said.

OFFICIAL'S STATEMENT

She asked whether he was aware that some foreigner had told the press in Calcutta that he would be approaching Pakistan for export of monkeys and that he had been assured by a Commerce Ministry official that the ban would be lifted within a week. Mr. Krishnamachari said the reported statement of the official was obviously unauthorized.

Mrs. Rukmini Arundale asked whether it was a fact that monkeys were used apart from medical purposes to further capitalist interest. The minister said medical research and capitalist interest need not necessarily be mutually exclusive.

She then inquired if the Polio Association of the United States of America had announced that by trying the polio vaccine on monkeys they were taking a calculated risk. He replied: "Sir, what can I say about the opinion of this expert body? My knowledge of vaccine is limited."

Mr. Agnibhoj asked what was the commercial purpose for which monkeys were used in India. The minister said the questioner also belonged to India and should know all about it.

Replying to a supplementary question by Mr. Dhage, he revealed that last year nearly 64,000 monkeys were exported. During the previous year 16,000 were exported. The polio vaccine was likely to be released by the middle of this year and for that the United States of America needed about a lakh of monkeys. It was true that the ex-

port of monkeys aroused a lot of resentment, both in the house and among the public.

[From the Statesman of April 6, 1955]
BAN ON EXPORT OF MONKEYS—MINISTER'S REPLY IN RAJYA SABHA

Export of monkeys except with the previous sanction of the Central Government has been banned with effect from March 11 last.

Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who stated this in reply to a question by Mrs. Violet Alva in the Rajya Sabha on Tuesday, added that the idea of regulating the export of monkeys arose from the fact that when the Prime Minister was in London it was brought to his notice that monkeys had been subjected to inhuman treatment.

Mrs. Alva pointed out that in the relevant Government notification export of monkeys by only land and sea was mentioned. Could they be exported by air?

Mr. Krishnamachari said that a legal interpretation might suggest that export by air was allowed but that was not so.

PRESS REPORTS

Mrs. Alva said it was reported in the press that Commerce Ministry officials had assured a person that the ban would be lifted in a week.

Mr. Krishnamachari: "I can't see how they have been authorized because I still happen to be the Minister."

In reply to many supplementaries about the use monkeys were put to in the United States of America, Mr. Krishnamachari said the Government would give due regard to international codes in this regard. He had been assured by responsible men that monkeys were not used for any purpose other than medical research. As regards atomic research, Dr. Bhagha, who knew about atomic research, had said that monkeys were not being used for that purpose.

He added that recently exports had increased because of the National Foundation of Polio Research of the United States of America having set about finding a vaccine for polio. (PTI.)

Mr. WELKER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am very happy to yield.

Mr. WELKER. The Senator from Idaho is on the floor, and he has heard nearly 98 percent of what the Senator from Oregon has said.

Mr. NEUBERGER. I am happy the junior Senator from Idaho is on the floor. I was on the floor a few days ago when he delivered his very appropriate remarks about the bungling which had taken place in the handling of the Salk vaccine program in Idaho. I merely wished to emphasize the fact that the only way the vaccine can be tested for safety is with the use of Rhesus monkeys imported from India.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Is the question now on agreeing to the committee amendment on page 3, line 14, which would reduce the amount from \$61 million to \$51 million?

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. The proviso has been separated from the amendment, and it will be considered later; is that correct?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the first part of the committee amendment on page 3, line 14. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. BRIDGES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Hampshire will state it.

Mr. BRIDGES. Is the Senate now to vote on the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] to increase the amount, or is the vote on the committee amendment?

The PRESIDING OFFICER. The vote comes now on the first portion of the committee amendment on page 3, line 14.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. A vote "nay" is a vote to restore the House language providing for \$61 million, and a vote "yea" is to keep the Senate figure of \$51 million?

The PRESIDING OFFICER. That is correct. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Texas [Mr. JOHNSON], and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], the Senator from Pennsylvania [Mr. MARTIN] are basent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Kansas [Mr. SCHOEPPPEL] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. SCHOEPPPEL] would each vote "yea."

The result was announced—68 yeas, 16 nays, as follows:

YEAS—68

Aiken	Butler	Dworshak
Allott	Byrd	Eastland
Anderson	Capehart	Ellender
Barkley	Carlson	Ervin
Barrett	Case, N. J.	Goldwater
Beall	Case, S. Dak.	Gore
Bender	Chavez	Green
Bennett	Clements	Hayden
Bible	Curtis	Hickenlooper
Bridges	Daniel	Hill
Bush	Dirksen	Holland

Hruska	McClellan
Ives	Millikin
Jenner	Monroney
Johnston, S. C.	Mundt
Kerr	O'Mahoney
Kilgore	Pastore
Knowland	Payne
Kuchel	Potter
Langer	Purtell
Long	Robertson
Martin, Iowa	Russell
McCarthy	Saltonstall

NAYS—16

Douglas	Lehman	Neuberger
Duff	Mansfield	Sparkman
Fulbright	McNamara	Symington
Hennings	Morse	Wiley
Humphrey	Murray	
Kennedy	Neely	

NOT VOTING—12

Bricker	George	Magnuson
Cotton	Jackson	Malone
Flanders	Johnson, Tex.	Martin, Pa.
Frear	Kefauver	Schoeppel

So the committee amendment was agreed to.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The next committee amendment will be stated.

The next amendment was, on page 3, line 14, to strike out:

Provided, That of the funds made available by this act, no more than \$50 million shall be available for assistance to India exclusive of funds provided for assistance authorized in section 304 (b) of the Mutual Security Act of 1954, as amended;

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KNOWLAND. Mr. President, I respectfully suggest that since the Chairman of the Committee on Appropriations read several paragraphs from the letter he received from the International Cooperation Administration, he might place the entire letter in the RECORD at this point.

Mr. HAYDEN. Mr. President, I ask unanimous consent that I may do so.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL COOPERATION ADMINISTRATION,

Washington, D. C., July 22, 1955.

HON. CARL HAYDEN,
Chairman, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: I am writing to you to express the sincere hope of the Department of State and the International Cooperation Administration that it may be possible for the Congress to reconsider the proviso contained in H. R. 7224, as reported by the Senate Committee on Appropriations (Rept. No. 1033) on page 3, lines 14 through 18, reading as follows:

"Provided, That of the funds made available by this act, no more than \$50 million shall be available for assistance to India exclusive of funds provided for assistance authorized in section 304 (b) of the Mutual Security Act of 1954, as amended."

It is our understanding that your committee inserted this proviso for the purpose of insuring that the administration would not seek, through the use of transfer provisions or other special authority vested in the President, to furnish development assistance to India over and above the amount specifically appropriated by the Congress within the authority of section 201 (a) (2) of the Mutual Security Act of 1954, as amended.

I wish to assure you that the International Cooperation Administration intends to com-

ply fully with the intent of the Congress with regard to the amounts and types of assistance to be furnished to India, as well as to all other recipients of assistance under the Mutual Security Act. I urge the deletion of the foregoing proviso, however, because I feel that it tends to limit the flexibility authorized to the President under the basic mutual-security legislation to an undesirable degree.

Specifically, I feel that it is essential that the President's Fund for Asian Economic Development be available for use in those parts of Asia where it will do the most good in terms of the long-range future development of the entire region. It is impossible to think of the orderly development of this area without considering the role which India, as its largest country, must play in that development. It is quite conceivable that regional projects, involving joint resources of countries such as India and Japan may be developed which will be of great importance not only to those two countries but to other free Asian nations as well. For this reason, I would like to preserve for the President the authority to use a part of the Asian Development Fund for assistance in projects of a regional nature which may involve India. You have my assurance that if such authority is permitted, it will not be used by the International Cooperation Administration in a manner which increases the amount of funds for the bilateral development assistance program with India.

The elimination of the above proviso would have another very important effect. As it now reads, the proviso would prevent the President from exercising his emergency powers under section 401 of the Mutual Security Act, insofar as India is concerned. This would mean that if, during the course of the fiscal year, an unforeseen emergency should arise in that country, which in the opinion of the President called for immediate and decisive action by the United States Government, he would be powerless to move. A less serious effect of this proviso, but along the same general lines, is the inability to pay the ocean freight costs, under section 409 (d) of the Mutual Security Act on the shipment of surplus agricultural commodities to India under Public Law 480, either for distribution to needy persons through voluntary agencies or to meet situations created by natural disasters. As in the case of the President's Fund for Asian Economic Development, you may have my complete assurance that the International Cooperation Administration would not recommend invoking the emergency powers under the Mutual Security Act in a manner which would supplement the funds appropriated by the Congress for Development Assistance to India.

For the reasons given above, and in consideration of the assurances expressed herein, it is the earnest desire of the Department of State and the International Cooperation Administration that action be taken, if possible, to delete the above proviso, which I sincerely believe might seriously hamper the progress of economic development in the region of Free Asia and deny to the President the full use of his emergency powers.

Yours very sincerely,

JOHN B. HOLLISTER.

Mr. BRIDGES. Mr. President, do I understand correctly that the chairman of the committee now asks that the committee amendment be rejected?

Mr. HAYDEN. In the light of the commitment made in the letter, which is now in the RECORD, I ask that the Senate reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on line 3, page 14.

The amendment was rejected.

The next amendment was, on page 3, line 24, after "304 (b)", to strike out "\$125 million" and insert "\$130 million."

The amendment was agreed to.

The next amendment was, on page 4, line 13, after "405 (a)", to strike out "\$10 million" and insert "\$12,000,000."

The amendment was agreed to.

The next amendment was, on page 4, line 20, after "405 (c)", to strike out "\$1 million" and insert "\$1,400,000."

The amendment was agreed to.

The next amendment was, on page 5, line 4, after "407 (b)", to strike out "\$56,366,750" and insert "\$60,366,750", and in line 5, after the amendment just above stated, to strike out "and in addition not to exceed \$3,633,250 of the unobligated balances of funds appropriated under the head 'Palestine Refugee Program' in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1956, for the purposes authorized by section 407."

The amendment was agreed to.

The next amendment was, on page 5, line 16, after "409 (d)", to strike out "\$10,000,000" and insert "\$13,000,000."

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, have we passed through lines 12, 13, and 14, on page 5? I wish to offer an amendment on page 5.

The PRESIDING OFFICER. That is not in order at this time.

Mr. HUMPHREY. Is the Senate now considering only committee amendments?

The PRESIDING OFFICER. The committee amendments are being disposed of first.

Mr. HUMPHREY. Do I correctly understand that we shall return to the original language of the bill as passed by the House?

The PRESIDING OFFICER. The bill will then be open to amendment.

The clerk will state the next committee amendment.

The next amendment was, on page 6, line 1, after "418 (b)", to strike out "\$100,000,000" and insert "\$150,000,000 to remain available until June 30, 1958."

Mr. ELLENDER. Mr. President, this is the so-called Asian regional development fund. Under the bill, the President has three funds from which to draw. One of them consists of \$50 million. This amount may be obtained by transferring funds from the various appropriations in this bill. The second fund is \$100 million, which is specifically appropriated to him in the bill to be used as he sees fit. He can donate it; he can allocate it on a loan basis. He is the master of what can be done with the \$100 million, and with the other \$50 million which he can transfer from other appropriations in this bill.

The third fund is the item which is now under discussion—the \$200 million budget request for a so-called Asian regional development fund. The House has reduced the amount from \$200 million to \$100 million.

It strikes me that the evidence which was presented to the House Committee on Appropriations as well as that presented to the Committee on Appropriations of the Senate makes it imperative

that the Senate adopt the House figure of \$100 million.

It will be recalled that some time ago a statement was made by Mr. Stassen that a Marshall-aid plan for Asia was in the offing. There was quite some controversy about it, so much so that the idea was ostensibly abandoned.

Yet, we have before us tonight a 3-year plan, which is nothing but a Marshall-aid plan for Asia. I wish to refer to the hearing held before the Senate committee. I call attention to the following testimony:

Senator ELLENDER. Then this Asian development program does not differ materially from that which you suggested earlier this year except as to amounts?

Mr. STASSEN. That is right.

In other words, it is the same Marshall plan for Asia which Mr. Stassen advocated in the early part of the year, and which did not meet with approval in the press, in public opinion, in the Halls of Congress, or even among some members of the President's Cabinet.

The evidence shows that this is a long-range program, one which is similar, as I have indicated, to the so-called European Marshall plan which we so generously financed. I shall read from the hearings held in the House, page 446:

Mr. DENTON. This is a new program?

Mr. STASSEN. Yes. This is what the President has described as the arc of free Asia to defeat the Communists in that area. Unless we get into an early war, I think this will be the most important money in this next fiscal year. It is a long-range proposition, but it is the place where the Communists are putting on their big effort.

I ask Senators to bear this testimony in mind. This is a long-range proposition. The moment we start it, there will be no end to it.

On the basis of this testimony, plus the fact that our own foreign-aid officials have admitted that they could not obligate more than \$100 million during the 1956 fiscal year, the House cut the request in half. The House appropriated for the Asian Marshall plan only that money which the foreign-aid planners said they could obligate during the next fiscal year. Let me read the testimony on that point. Mr. Normal Paul was testifying, and I questioned him, as follows:

Senator ELLENDER. I would like to ask the witness a few questions about this \$200 million item for Asian development.

I think the House cut that in half because it was stated by Governor Stassen that \$100 million of this would not be used until fiscal year 1957, or some such language.

What do you have to say about that?

Mr. PAUL. It is true, Senator, that we estimated that, of the \$200 million authorized, we would obligate only \$100 million during this coming fiscal year.

Acting on the evidence to which I referred in my questioning of Mr. Paul, the House cut the figure back to \$100 million. The Senate Appropriations Committee increased the amount to \$150 million.

The administration has admitted that it has not yet planned just how it will spend even the \$100 million approved by the House. They have submitted in their justification some sample projects which they consider to be worthy, but

there is no specific outline of just how the money will be used. As a matter of fact, no such outline exists. All the foreign-aid planners have is a "guess-timate," as Mr. Paul put it.

Let me run down the information so that the Senate can see what we may be getting into. These are some of the sample schemes our planners have worked up; these are some of the ways in which the President's fund of \$200 million may eventually be spent:

Regional or subregional development projects:

- (a) The Mekong River development.
- (b) Fisheries—Exploration and development.
- (c) Projects related to natural-gas development.
- (d) Minerals exploration, transportation, and development.
- (e) Transport and communications development.

2. Production projects.

(a) To provide, through participating country or its financial institutions, a portion of the foreign exchange cost of a new enterprise.

(b) To provide the minimum amount of foreign exchange required to permit the establishment of small local industries.

3. Regional training centers.

- (a) Agricultural training center.
- (b) Regional management training center.
- (c) Regional training center for development of small scale labor intensive industry.
- (d) Testing laboratory for agricultural implements and machinery best adapted to rice and other crops in that area.

Mr. President, it is not my purpose to detain the Senate with the details of the sample projects, but some of them are incorporated in the document I have in my hand, and I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

ASIAN REGIONAL DEVELOPMENT

ILLUSTRATIVE PROJECTS

In presenting the following illustrative projects which might receive financial assistance from this fund, no country-by-country breakdown of fund allocations is being proposed, since the fund will be used to support meritorious projects as they are developed by countries in the area. Similarly, the projects are not subdivided between technical assistance and capital development categories of aid. In most of the projects technical assistance would be required preliminary to and as a basis for the investment of capital either from the fund or from other sources. It also is emphasized that illustrative projects rather than an illustrative program are presented. Several of these projects have already been subject to considerable study but, as a group, they are intended to illustrate the types of activities for which the fund might be used rather than as projects to which the United States Government is in any way committed.

1. Regional or subregional development projects

(a) The Mekong River development: Thailand, Laos, and Cambodia all have a vital interest in the irrigation, transportation, and power potential of this large river basin in one of the most crucial areas of Southeast Asia. Such potential uses would require careful exploration and engineering studies of all aspects of the problem. A portion of the costs of this project, including initial surveys and evaluation, might be met from this fund. Inland navigation, power for

Laos, Cambodia, and Thailand, irrigation, and development of the abundant timber resources of the area, could all be derived from this development.

(b) *Fisheries:* Exploration and development: The fish resources of this region are very extensive, but, except for Japanese fisheries and limited coastal fisheries in most of the other countries, their exact locations are not known with certainty and the techniques involved are primitive and in many cases destructive of basic fish resources. Some intraregional technical assistance is already being provided by Japan but organization on a regional basis and the necessary minimum financial support is not available. The successful implementation of this project could add greatly to the protein supply in the area. Some capital could also be profitably invested in refrigeration and other facilities on a country-by-country basis and loans from the fund combined with private and governmental resources could be soundly utilized.

(c) *Projects related to natural gas development:* The further development of uses of Pakistan's natural gas deposits at Sui, in which some British private capital and IBRD funds have already been invested, would permit the establishment of important industries such as fertilizer production, which is in short supply in the region, particularly in India and Afghanistan. A fertilizer plant is under consideration in Hyderabad using Sui gas; its products might be available to northern India. Similarly, another plant could be built in west Bengal (India) with part of the production going to east Bengal (Pakistan) where no gypsum or other raw materials are available for fertilizer. This would economize on transportation costs and further encourage cooperation between the two countries. Part of the financing of such projects may be obtained from private resources or from established lending institutions. However, the uncertainty of dollar savings from fertilizer production and sale in the subcontinent may make some loan financing from the regional fund desirable to encourage the undertaking of the joint natural gas and fertilizer projects.

(d) *Minerals exploration, transportation, and development:* In most of the countries of free Asia, mineral resources are known to exist, but the full extent, quality, and grade of such resources are only superficially realized. In the Philippines, Afghanistan, and, to a limited extent elsewhere, work is going forward under country programs to survey and evaluate some of these resources. The Economic Commission for Asia and the Far East has also done some work on a regional basis on general geological surveys. With the help of technicians, such as the Japanese who are knowledgeable on the requirements of their countries for mineral products, a considerable amount can be done of a regional technical assistance nature. There has been an indication that a good deal of local capital in the south and southeast Asian countries, and Japanese capital, may be available for investment in this industry. Some investment has already occurred, for example, in the Philippine iron and copper resources. There is, however, an important deficiency of roads, short-line railroads, and harbor facilities required to expand the output and reduce the cost of minerals production, both for domestic use and export. These facilities cannot be financed, in most instances, by private interests, due to the risk involved and because they are needed for other uses as well, and their costs should not at all rest on the mining industry. Governments should usually be able to undertake the cost if long-term, low-interest loans are made available. Examples are the rail, loading, and production facilities involved in the development of the iron-ore resources of India. This project has been under study

for about 2 years by Japanese and Indian authorities. The ore is of good quality and its export only requires the construction of rail and port facilities. The development of larger Indian-Japanese trade is important to the economic unity and strength of the area as a whole. Some private investment, possibly to provide for initial processing of the ore in India, might be associated with this undertaking.

(e) *Transport and communications development:* In several major portions of the region, improved transportation and communications, especially across land frontiers, would contribute very substantially to the mutual economic development of two or more countries. This is particularly true in the Indian subcontinent where between India and Nepal, Pakistan, and Afghanistan, and between east and west Pakistan, transport and communications are unsatisfactory. The political relationships and cohesion of the area are thereby retarded. Prejudices and rivalries stemming from the past together with the strained financial resources of the countries involved, prevent a satisfactory solution to these problems. Allocations of funds under this program could, if combined with local resources, and perhaps technical assistance, act as a lever to accomplish some of these undertakings.

For example, inland water transportation between Calcutta and points in east Pakistan could be substantially improved by the adoption of modern tugs, barges, and other inland water craft. A United Nations expert from Holland has already made a survey of this project. It involves the purchase and demonstration of equipment estimated at about \$2 million. The United Nations Technical Assistance Administration might be able to furnish the technicians required if the equipment were available. In view of the importance of inland river transportation to many countries of south and southeast Asia, this project would be of substantial demonstrative value throughout the area. In order to assure proper servicing of the water craft, a training center for diesel-engine mechanics would be established which would service the equipment, as well as train mechanics for servicing vessels in the future.

2. Production projects

Increases in the productivity of free Asian countries requires a combination of capital investment, technical knowledge, and initiative and management, none of which are now present in adequate quantity. Some of the suggestions made below for regional training projects would contribute substantially to meeting the last 2 of these 3 requirements. Private foreign ventures in the area, in combination with local interests, would contribute to all three. Increasing attention is being paid to ways of bringing about such investment in United States programs. Long-term loans from this fund cannot meet any large portion of the capital investment that would be required in industrial categories to cope with problems of unemployment and low productivity in the area. However, it is intended that such funds, in cooperation with internal and external private investment, and other resources, be used to encourage small- and medium-sized industrial projects. This may be done under one or a combination of the following techniques:

(a) To provide, through a participating country or its financial institutions, a portion of the foreign exchange cost of a new enterprise where a concern in an Asian country has entered into an arrangement for a joint venture with an American company, principally to utilize the latter's technical and managerial capacities in the initial years of construction and operations. Financing from the fund would be on a loan basis and usually through a local financial institution. The American concern might also invest capital in the project, perhaps in sufficient amount

to retain control. Such an arrangement might be made in a situation where otherwise, either the host government might not encourage foreign investment to take place because of the future foreign exchange costs of profit and capital remittances involved, or where an economical unit would require an investment by the American company beyond its desire to risk its capital in the venture. The United States would look to the participating country for repayment.

(b) To provide the minimum amount of foreign exchange required to permit the establishment of small local industries where, owing to limitation of the local market or other economic hazards, the risk involved is substantial, but where the industry would contribute in large measure to employment opportunities or to the fuller utilization of indigenous materials. Industries which might qualify for assistance are those in which local investors are willing to risk capital, but not foreign investors, and where the foreign exchange position of the country does not permit an allocation of dollars to purchase equipment. In the Philippines, a device has been utilized under which the commercial banks, which had not previously been willing to invest capital in long-term small-industry loans, were willing to do so when the necessary foreign exchange and certain loans and guarantees from the counterpart fund were made available to them. Simple farm machinery, furniture, forest products, housing materials from indigenous raw products, improved rice and fish processing plants are examples of industries adaptable to Asian countries. The United States would look to the governments concerned for repayment.

3. Regional training centers

As is well known, Japanese agricultural techniques, as evidenced by crop yields, the use of fertilizer, and diversification and quantity of agriculture products, are well in advance of most other countries in the Far East and South Asia. Consequently, the establishment in Japan of an agricultural training center, which might train several hundred participants from other Asian countries each year, has been proposed by the Japanese Government. Participants from India, Indonesia, and other countries are already visiting Japan in substantial numbers. No insurmountable political or other problems seem to be associated with this project, and it is strongly recommended by those conversant with Far East agriculture problems.

Together with the shortage of capital and engineering and other technical capacities, the lack of business initiative and skill is conceded to be a major impediment to industrial and other economic advances in the private sector of Asian economies. Reputable institutions for business education are not available in most of these countries. The establishment of a regional management training center would greatly reduce the cost and the time involved in acquiring training of sufficient thoroughness to meet practical requirements in the region. The association with such business training center of a United States educational institution of appropriate stature is proposed. In the same general category would be some additional assistance on a regional basis to the Agricultural College of the University of the Philippines, to which we have been making a contribution for some time, and which requires only a modest amount of additional support to make it a valuable organization for regional training and scientific agriculture.

Japan has built up her home and small scale industry to the point where it constitutes a significant segment of her total industrial structure. In most other countries of the region beginnings have been made, but usually the development of efficient production and distribution facilities has not yet occurred. The utilization of Japanese

techniques together with the pooling of the most efficient special skills and experiences of other countries in a regional training center seems to offer considerable promise of developing small scale labor-intensive industry. The need for this to cope with unemployment, to produce simple consumer goods required to meet local demands and reduce foreign exchange expenditures, as well as produce for export, is everywhere apparent.

Governments and experts familiar with the needs for available training centers in the area have suggested a large number of other fields in which the specific aptitudes of one country could be utilized for the betterment of a substantial grouping of other countries. Nearly all of these undertakings could be tied in one way or another to United States educational, or other research and training organizations, with the help of reasonably modest allocations from this fund. One example would be a regional testing laboratory for agricultural implements and machinery best adapted to rice and other crops of the area. A large variety of such tools are presently utilized in the different countries with very little standardization or interchange of technical information. Improvements and standardization of these tools would not only increase the efficiency of agriculture, but might give rise to small or medium scale local industries to produce them in some of the countries for both domestic and export markets. Japan, of course, might derive substantial benefit from this in expanding her markets in Southeast Asia, but other countries such as the Philippines, India, and Pakistan might also develop specialized production based on regional requirements.

The organization of these and other regional training facilities, possibly under the aegis of the Colombo plan organization, offers many opportunities, not only of raising the incomes and coping with other economic problems of the countries of the region, but also of developing associations and relationships of great value from a political and security point of view.

Mr. ELLENDER. Mr. President, I wish to emphasize that none of these projects are planned. Our planners are simply reaching into the air for this sum, and they do not know where the money is going to be spent, or how. The whole scheme is based purely on guesswork. That is what caused Mr. Stassen, as well as Mr. Paul, to indicate to the committee that no more than \$100 million could be obligated during the coming fiscal year.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. Do I understand correctly that testimony was given and was not at any subsequent time refuted?

Mr. ELLENDER. The Senator is correct.

Mr. ANDERSON. The only estimate was that the \$100 million was to be used this year?

Mr. ELLENDER. This year only \$100 million would be obligated, that is correct.

Mr. ANDERSON. And another \$100 million would be used next year, or might be used?

Mr. ELLENDER. The testimony was that only \$100 million could be obligated this fiscal year. If Congress appropriated \$200 million, it could not be obligated this year, but would have to be obligated in future years. Just when it would be obligated, or even spent, is not known.

My point is we should not appropriate more than our planners can obligate this fiscal year. If more money is needed, a request can be made next year.

Mr. President, just a week ago the President told Congress that he would not spend money the Congress recently appropriated to begin work on some domestic water conservation navigation and flood-control projects until more detailed planning on them was complete.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SMITH of New Jersey. Did I understand the Senator correctly to say that the testimony given was to the effect that only \$100 million could be used?

Mr. ELLENDER. Only \$100 million could be obligated during the 1956 fiscal year.

Mr. SMITH of New Jersey. When Mr. Hollister was quoted in the press, Mr. Hollister said he was quoted incorrectly. The \$200 million must be appropriated, because the projects would extend over a 2-year period. Under the rules, projects cannot be authorized and commitments cannot be made unless the money is appropriated.

Mr. ELLENDER. Mr. Hollister did not testify before the committee. Mr. Hollister did say—he was quoted in the New York Times as saying—that it made no difference to him if only \$100 million were appropriated; that they could not use more than \$100 million.

Mr. SMITH of New Jersey. I took the matter up with Mr. Hollister. He wrote me and the chairman of the committee a letter in which he said distinctly that an appropriation of the \$200 million was desirable because they needed the appropriation so that they could make commitments.

Mr. ELLENDER. Mr. Hollister may have written to correct what he was quoted as having said in the New York Times, but Mr. Hollister never appeared before our committee. I have quoted from testimony given by Mr. Stassen and Mr. Paul, and it indicates that only \$100 million can be obligated this coming fiscal year. I would be willing to bet a hat that even that \$100 million will not be obligated and that there will be a carryover of most of that money.

Mr. President, as I indicated a moment ago, the President told Congress less than 10 days ago that he would not spend money appropriated to begin work on some domestic water conservation, flood control and navigation projects until more detailed planning was complete.

All of us are familiar with what the President said about the 107 projects, to the effect that because of a so-called lack of planning and because the projects were unbudgeted, the money might be, in effect, impounded. At best, it would not be spent.

Mr. President, I ask unanimous consent that an excerpt from the statement by the President be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The second matter which concerns me is the large increase in the number of new

construction starts for the Corps of Engineers and the Bureau of Reclamation.

Many of these projects which have been added by the Congress have not had detailed engineering studies completed. As a result, we have no basis for determining their financial soundness and their ultimate cost to the Federal Government.

In all, 107 unbudgeted projects were added by Congress. We can only guess what their total cost to the taxpayers will ultimately be because of this lack of detailed engineering studies on many of them. The best guess that can be made at the present time is upwards of \$1,500,000,000, but when planning is completed, this guess, in the light of past experience, may well prove to be far too low. While the first-year appropriations made in this bill amount to only about \$47 million, the appropriations and expenditures in future years will increase sharply and quickly reach a half-billion-dollar level.

As a consequence of these considerations, initiation of the added projects cannot be undertaken until the detailed engineering plans have been completed and we have a sound basis for cost estimates. In the case of projects involving reimbursable items, such as electric power and water supply, we must be assured that satisfactory financial arrangements have been completed for return of the Federal investment.

The public is entitled to this measure of protection to the tax dollars that go into the construction of these projects.

Mr. ELLENDER. Yet almost in the same breath we are being asked to appropriate \$200 million to finance a variety of public-works projects in Asia. The administration does not even know what they will be—where they will be located—how much they will cost—what benefits they will provide. I find it hard to reconcile the attitude expressed in this request for an Asian Marshall plan, and the attitude expressed with reference to much needed projects here at home.

Mr. ANDERSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. Did I understand the Senator from Louisiana a few moments ago to refer to rice projects which are going to be started?

Mr. ELLENDER. Yes.

Mr. ANDERSON. I understand we have a great rice surplus in this country, and farmers who raise that crop are being asked to help subsidize such projects. Is that correct?

Mr. ELLENDER. That is correct, and I think it is unconscionable. That is one of the reasons I oppose this program.

Mr. JENNER. Mr. President, will the Senator from Louisiana yield to me so that I may request the yeas and nays on this question?

Mr. ELLENDER. I yield for that purpose.

Mr. JENNER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, for my own part, I would like to see the full amount removed. I do not want our country to get bogged down in a Marshall plan for Asia. But the sentiment of the Congress seems otherwise. Under the circumstances, I ask the Senate to give our foreign aid planners only the amount of money they can actually obligate during the next fiscal year. This is the only prudent course to follow. I would also suggest that next year our planners come in with more definite in-

formation on some of the projects they contemplate. Under no circumstances should the Congress be compelled to write a blank check for this amount of money.

Mr. President, I hope the Senate committee amendment will be rejected, and the House figure of \$100 million will be retained in the bill.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. RUSSELL. I wish to commend the distinguished senior Senator from Louisiana for the very valiant effort he has made to keep this program within proper proportions. I must say to him that the fact that he has urged that a part of the money cannot be spent will not prevail on the Senate, because the Senate votes for what is asked and not for what can be spent or what is needed. Nevertheless, I commend the Senator from Louisiana for the effort he has made to keep the program within reasonable bounds.

Mr. ELLENDER. I thank the Senator from Georgia.

Mr. DIRKSEN. Mr. President, what the distinguished senior Senator from Louisiana has said about two funds is quite correct. First of all, there is a special presidential fund of \$100 million. The distinction between the two funds is that the Asian development fund is limited entirely to Asia. The other presidential fund can be used for any purpose anywhere in the world.

I think we ought to discuss that one fund a little, in the interest of clarity. My colleagues will remember the Guatemalan situation, which filled the headlines sometime ago. There was no money available to be used to rectify that situation and help put Castillo, who was on our side, in power. So the President of the United States took money out of the \$100 million fund and used it to keep Guatemala on even keel.

My colleagues will remember when Prime Minister Mossadegh in Iran was in difficulty. It looked for all the world as if the Soviet orbit was going to be extended down through Iran and to the Persian Gulf. The President of the United States dipped into that special fund for \$20 million, and today we are on pretty good ground in Iran.

There was a drought in Yugoslavia, and there was real difficulty there, and the President of the United States dipped into the special fund to help the cause.

There was a flood in the Danubian Valley, and when I was in Vienna about 3 weeks ago it was said that it was the worst flood in 50 years. It could have had some impact on the ultimate outcome of the Austrian Treaty. The President, being able, if necessary, to use the funds on an unvouchered basis, was able to use money in that area and salvage the situation. It is probably the best money this country ever spent. With the President having a special fund available, which he can use at any time—

Mr. ELLENDER rose.

Mr. DIRKSEN. Mr. President, the Senator from Louisiana has had his time in which to speak, and I ask him to let me proceed.

Mr. ELLENDER. I desire to ask a question of the distinguished Senator from Illinois. I hope he does not object to a question.

Mr. DIRKSEN. Mr. President, I wish to proceed for a further moment.

Now we come to the Asian development fund of \$200 million. What the distinguished Senator from Louisiana has said is absolutely correct, in so far as the testimony is concerned.

Mr. ELLENDER. Yes.

Mr. DIRKSEN. It is true that Governor Stassen testified before the House committee that he did not believe they could obligate more than \$100 million. I believe 1 or 2 other witnesses made the same statement. But what is forgotten is that we fail to go back to primary sources for information. The Appropriations Committee did not write the authorization bill. The authorization bill was written in the Senate Foreign Relations Committee. In respect thereto, when the justification came to us, what did the executive branch of the Government say? I shall read that statement; it appears in section 3, on page 345 of the justifications:

It would be highly desirable not to require that the obligation of this special fund be completed during the fiscal year 1956.

They did not ask that all of it be obligated. But what they wanted was a chance to program it.

When the Foreign Relations Committee reported the bill with the inclusion of that fund, the committee provided that it would be a 3-year fund, extending to June 30, 1958. So this program is to cover a period of 3 years. They did not ask to obligate all of it in 1 year. But if \$100 million is obligated in the first year, what will be left for the other 2 years of the program?

The important factor in all this situation is the times. The sixth largest river in the world flows through the Asian arc; it is the Mekong River. If we are to do anything with the development of that river, by way of hydroelectric developments or other developments, it will take several years even to get the engineering under way, and it will be necessary to deal with four separate countries. That is why the President emphasized that this development must be on a regional or group basis.

Similarly, let me say there are some oil pockets in Pakistan; and in developing them it will be necessary to deal with Pakistan, Nepal, and India. To deal with those three nations, on the one hand, and with the United States on the other, will take a little time. If we have no money available when the time comes, we shall be frustrated and stopped.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. I understand that the whole purpose of the fund is to make it possible to continue the work for more than 1 year. So unless we have

the money on hand now, none of these countries will proceed with the developments, because they cannot be certain what will be available next year.

Mr. DIRKSEN. That is entirely correct.

For instance, there has not been a year in recent times when Admiral Radford has not testified before the committee that they have had to start on a contract-authorization basis. That has been done; and this item follows that entire thesis.

Mr. SALTONSTALL. And the entire purpose of providing for the funds to continue to June 30, 1958, is to permit the planning for more than 1 year at a time.

Mr. DIRKSEN. Entirely so. If there is to be development of the Mekong River, it will take time to get Laos and Cambodia and Vietnam into the picture. Such things cannot be done overnight.

The House of Representatives voted \$100 million, and the Senate committee voted \$150 million. The committee's theory in taking that action was that, if the \$100 million voted by the House of Representatives was found to be a little on the short side, we should add \$25 million, so that the work would not have to be cut short because of the reaching of a certain limit; and then we provided for an engineering fund, so that some of the money could be used for engineering purposes. That is the entire theory.

There is the Presidential special fund, and the estimated amount for it has been reduced.

However, this fund is limited entirely to Asia; and I remind my colleagues that 50 percent of the fund must be in loans, not in grants; and not in excess of 25 percent of the fund can go to any one country.

Inasmuch as the Senate passed by a very resounding vote the authorization bill, providing for a 3-year presidential fund to run until 1958, it would come with poor grace if we were to tie the hands of those who are to direct the work, and who have a very good idea of what the purpose is.

It is said that the details in this case are vague. Of course they are, because not even the engineering plans can be begun until funds are available to send engineers—in this case, to send them to the Mekong River, and to the Kosi River, in Nepal or to have them do a proper job in connection with refrigeration for the fishing industry, or to prospect or explore for minerals, in which the Asian arc is very rich, indeed.

How is a start to be made? How are we to help them? The one thing which must be done is to enrich those countries a little, from the resources they have. In view of the 50-percent limitation and in view of the 25-percent limitation on the amount of the fund which may be spent in any one country, I believe this proposal is a very good one; and I think the committee was reasonable in arriving at a figure in between, so to speak, so there would be a little more money with which to operate, and also some funds for engineering.

For these reasons, Mr. President, I hope the position of the committee will be sustained.

Mr. SMITH of New Jersey. Mr. President, I desire to commend the distinguished Senator from Illinois for his very fine exposition regarding this fund. I have studied it a great deal, and I have discussed it with many persons in different countries.

We are trying to bring some order out of chaos, especially in the case of southeast Asia. We wish to encourage the countries of that area to get together with their plans.

As an illustration, I point out that Japan needs a steel industry, but does not have sufficient ore. There are areas, however, in India where explorations may be made for ore.

So one country must be of assistance to another, if possible. That is the President's plan. I think this is one of the most important features of the entire bill, and I sincerely hope that the committee's position will be sustained.

Mr. DIRKSEN. Furthermore, Mr. President, the amount voted by the House of Representatives is \$150 million—

Mr. ELLENDER. It is \$100 million, Mr. President.

Mr. DIRKSEN. That is correct; the House figure is \$100 million, and the amount voted by the Senate committee is \$150 million, and the budget figure was \$200 million. Of course the bill must go to conference, and we do not know how this item will come out finally. The House may insist upon the \$100 million. But, at least, the committee's recommendation will provide a little bargaining power for the conferees on the part of the Senate, particularly in light of the considerations I have advanced for sustaining the committee's position.

Mr. LONG. Mr. President, I wish to state briefly my position on this matter.

One strong tendency with which we must deal is that of treating foreigners so much better than we are willing to treat the people of the United States.

Not long ago the Congress passed an appropriation bill including funds for 107 projects which had been studied many times—studied both in the field and in the Pentagon, and approved time and time again by the Bureau of the Budget, and brought before the Congress; and the projects were authorized, and the authorization bill was signed by the President. However, when the appropriation bill covering those projects was passed—it contained appropriations only for projects which already had been authorized by Congress. After Congress made that appropriation, the President said—merely because some of the money had not been budgeted for this particular year—"I will not spend the money, because I want to have a study made, to see about these projects." Yet the projects had previously been approved by the Army engineers and had been authorized by the House of Representatives, and had been authorized by the Senate on two different occasions. Yet we are told by the President that the projects will not be undertaken until the President had sufficiently studied them.

Now let us consider what happens in the case of overseas projects. Let us consider the proposed development for the Mekong River, to which reference has been made. It looks as if our friends overseas are afraid that they should not go ahead with plans for the development of the Mekong River unless we are willing to put up our money 2 years in advance.

That is the statement which was made here. They are not satisfied to go along like 48 States. The 48 States in the United States are willing to take their money year by year, but our friends overseas must get it 2 years in advance. Why do we insist on treating foreigners better than we treat Americans? That is something I cannot understand.

These foreign projects have not been passed upon by Congress. They have not been authorized. They have not been studied by any Government agency, except some of our friends who wish to pass on this money to our friends overseas.

The last \$50 million is for projects the people do not know about. We like to give this money away somewhere, so we are asked to appropriate the last \$50 million without even knowing where the projects are. That is the difference between getting money to develop projects in this country and getting money to develop projects in some foreign country.

There is not a single project in any State, involving the construction of anything from a chicken coop to a highway, with respect to which we can appropriate money more than 1 year in advance; yet we must do it for our foreign friends. A new principle must be applied. We are told by our distinguished colleague from New Jersey [Mr. SMITH] that this is the most important thing in the bill. I suppose that is because we are establishing the principle of doing for our friends abroad what we would not dream of doing for our citizens at home.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KNOWLAND. My good friend the distinguished senior Senator from Louisiana [Mr. ELLENDER] the chairman of the Subcommittee on Civil Functions, raised this question the other day in the Committee on Appropriations. I happen to be the ranking minority member of that subcommittee. Upon the issue being raised several days ago, I made inquiries, and was assured that no freezing of the funds was involved. It was merely desired to determine whether or not engineering studies would be available. It is my personal belief that there will be no such freezing of the funds in the appropriation bill for civil functions.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. RUSSELL. Is the Senator from California willing to state on his responsibility that these funds will not be tied up?

Mr. KNOWLAND. I will say to the Senator that to the best of my information—and I made inquiry because I was concerned, as was my good friend the

senior Senator from Louisiana, chairman of the Civil Functions Subcommittee—no general freezing of the funds is involved. The only thing the Director of the Budget wished to be certain about was that before a project was started there would be sufficient engineering studies on the part of the Army engineers. I believe that, at least insofar as concerns items placed in the bill by the Senate—and I think that probably is true with regard to a great many of the items placed in the bill by the House—actually, there have been rather extensive studies made by the Army engineers.

Mr. RUSSELL. I did not ask the Senator what he thought because the Senator is the ranking member of the subcommittee and is thoroughly familiar with all the projects. I asked the Senator if he thought, on his responsibility as the leader of the administration's party in the Senate, he could say that these projects would be approved.

Mr. KNOWLAND. It is my judgment that they will be unless there are projects with respect to which there are no engineering studies.

Mr. RUSSELL. That is a very indefinite statement, so far as I am concerned.

Mr. LONG. Mr. President, I wish to make this statement with regard to the development of this country. Among the 107 projects for which money was appropriated by an act of Congress this year, there was not a single one that had not previously been studied by the Bureau of the Budget, by the House committee, and by the House, passed affirmatively by the House, and studied and passed affirmatively by the Senate, and signed by the President of the United States, prior to the time any move was made to appropriate money for such projects.

When, finally, money is appropriated for such projects, it is appropriated year by year. It is urged that our foreign friends should not have to worry about that hazard. It is said that if Congress appropriates a large sum of money for 1 year, the Congress might not permit the project to go ahead at full speed. That is the type thing that our people at home must worry about. With respect to projects overseas, it is urged that the principle must be established that we shall see to it that our friends overseas get their money 2 years in advance. I assume that next year or the year after there will be a proposal to extend the principle so that we may appropriate for 5 or 10 years in advance.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ANDERSON. The Senator was speaking of projects in other countries. I was looking at the justification which the senior Senator from Louisiana used. I find that in Pakistan there are some natural gas deposits which are now being exploited by British private capital, but they want some money to expand natural gas production. They are proposing to make fertilizer out of it. Is the Senator familiar with the fact that in this country fertilizer plants are facing the fact that they may have to close down, in an area where they have always had markets?

Mr. LONG. There might be some difficulty in getting some of that money if we knew what the project was going to be. It is urged that we appropriate \$50 million in advance, without knowing what the projects are going to be, in order that such projects may go ahead without any cessation or slowdown, and without any study by the Congress.

Mr. ANDERSON. A moment ago the Senator heard that public spending projects might be held up because of lack of engineering studies. With respect to the Mekong River development, we are going to put up money to complete the surveys and engineering studies. Such surveys and studies will require the services of American engineers which we might use on American projects.

Mr. LONG. We shall have no opportunity to study those issues. Those who wish to commit themselves to this type of principle, and this type of loose handling of Federal money, may do so. The pending amendment, which is being opposed by my colleague from Louisiana [Mr. ELLENDER], does not relate to the \$100 million which the President had available and some of which he used to go into Guatemala and other places. The \$100 million is to be left with the President, to use whatever he wants to use it. He has another \$50 million fund, but that is not involved here. This provision deals with the particular fund for Asiatic development. The question is whether we want to give money to them for 2 years in advance, or for only 1 year.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ELLENDER. Under the law last year, before the present act, the President had \$150 million at his disposal. There was no cash involved, except that which he obtained from other appropriations in the bill of last year. This bill provides for a \$100 million cash fund, in addition to the \$200 million or \$150 million which is being asked for the Asiatic fund. The fund to which the Senator from Illinois [Mr. DIRKSEN] referred a while ago is not disturbed. It is there, just as it was last year, with the exception that only \$50 million of it can be taken from other appropriations, and \$100 million is being appropriated in cash.

Mr. CAPEHART. Mr. President, will the Senator yield, in order that I may ask the senior Senator from Louisiana a question?

Mr. LONG. I yield.

Mr. CAPEHART. Is it not a fact that half of this sum is in the form of loans?

Mr. ELLENDER. Yes; that is, the \$200 million.

Mr. CAPEHART. The \$150 million. Half of it is in the form of loans.

Mr. ELLENDER. That is correct.

Mr. CAPEHART. Of course, the Export-Import Bank, and the International Bank, for which we appropriate money, are in a similar position. We never know in advance to whom they are going to lend money. Therefore, half of it can be taken out of the category which Senators are discussing.

Mr. ELLENDER. But that is not usually done.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ANDERSON. Let me ask one final question. I notice that rice production is mentioned. Is the Senator aware of the fact that the Committee on Agriculture and Forestry has been holding hearings on a two-price system for rice, because rice farmers are trying to produce enough rice to pour into the breakbasket of the world? They increased their production in this country from 30 million hundredweight to 59 million hundredweight. Now it is proposed to cut American production back to 40 million hundredweight. The rice production project abroad would fit very nicely into that program.

Mr. LONG. I did not realize that rice production was involved. That is the kind of thing citizens of America would like to ask about, while we go forward with developmental programs. What has this program to do with the average American citizen? If we approve the appropriation in its present form, there will be no opportunity to ask questions.

Mr. HUMPHREY. Mr. President, I think there have been some very strong and valid arguments made against the appropriation of this substantial sum of money. I was particularly impressed by the failure to program under the \$150 million appropriation. I brought this issue up in the Senate Foreign Relations Committee, as was done a year ago, when the junior Senator from Montana [Mr. MANSFIELD] brought up the question of the special weapons fund. It was a special fund for special weapons for which no one had any designs or about which no one knew anything at all.

I wish to point out, however, that, as the Senator from Indiana has indicated, 50 percent of the fund is for loans. That is mandatory; 50 percent of the money must be used on a loan basis.

Another factor which ought to be emphasized for the judgment of the Senate is that the fund is a regional fund for the purpose of regional projects as well as individual nation projects. Therefore, there may be times when it will be necessary to have cooperative relationships exist between neighboring States in regional pacts, which pacts may not be completed at this time. Yet the fund would be necessary for proper programming.

However, Mr. President, I believe the real point about the fund is this. I have had it in mind for a long time, and I have witnessed it here in the Senate tonight. We have cut aid for certain countries. A moment ago we cut \$20 million from the budget estimate of a programed program which had been outlined, tabulated, presented, and documented. I refer to the India program. We cut \$20 million from that.

If we can cut \$20 million from a programed program, I believe we can certainly cut a little out of a nonprogramed program.

I say very frankly that I know one of the reasons this fund was provided is that the administration knew that someone in the Senate would do just about what we did in cutting funds. If Sen-

ators do not mind my saying so, their chickens are coming home to roost. Senators who are in favor of the committee amendment are about to lose one more vote, and that is my vote. I had it a few moments ago when I saw a cut made in the India program that had been presented to our committee. It is a program for a nation that needs it. It is for a nation which had a long-term commitment from our Government for its 5-year plan.

We cut \$20 million out of that program because we do not like what Mr. Nehru is saying. Mr. President, at least we know what Mr. Nehru is saying.

I do not know what the \$150 million fund is for specifically. I voted for it in the authorization bill because I saw the necessity for the President to have flexibility. I am in favor of the President having flexibility in connection with our foreign policy.

While I have the floor, let me say very frankly that if there is any danger facing this country today it is the fact that we are prejudiced about Asia. It is a fact that there is too little constructive thinking going on about Asia. It is a fact that in Geneva the Soviet Union may now be ready and willing to stabilize Western Europe and to stabilize the whole European picture, in order to move her forces into Asia. What do we do? We write off people who do not go along with us and say, "Thank you, Uncle Sam." As long as people will thank us, we will pour billions of dollars to them. Billions of dollars have gone to people who have insulted us all day, but who have said, "We still love you," the next morning. We do it for any country who will say, "You are just wonderful."

Mr. President, let us make no mistake about it. With respect to the \$150 million fund which is being asked for, part of that money is to be used by the administration to cover up the cuts that we are making on the floor of the Senate.

I submit that we have cut out \$20 million where we should not have cut it, even though we have eliminated the proviso in the bill. That proviso was an insult to our friends and certainly not a compliment to our intelligence. I was determined that such a limitation and proviso be stricken. Fortunately we have done so.

We eliminated that proviso on sober reflection.

There is flexibility in the bill. There is plenty of movement of capital from nation to nation under the transfer clause in the bill. There is a \$100 million presidential fund which may be used anywhere. It is not restricted to the European area.

The fund involved here was primarily intended for use in Asia. I believe the Senator from Louisiana [Mr. ELLENDER] has made a good argument on the premise that we should obligate funds for only 1 year.

My regret in the whole thing is that we have shown what I consider to be an attitude of disdain toward Asia. It is because of that that I feel so strongly about what we are about to do in the whole bill. We have underplayed where we should have overplayed, and perhaps

we have overplayed where we should have shown a little more economy.

I am convinced we can get by with \$100 million, and I am convinced it will get us by for the next fiscal year. I am further convinced it is about time that the administration came through with projects. Furthermore, Mr. Hollister does not know what the \$150 million is for. He said so before he was confirmed.

We ought to face the fact that if we put in \$100 million, as the House requested, there will be plenty of money to get us by for the next fiscal year. I join with those who want to cut the \$50 million. As long as we cut off a programed program, let us cut off an unprogramed program. Let us see whether or not cutting from a real programed program makes sense. When we had a chance to do what was right, we should have done it. If we need more money for the Asian fund I suggest the administration ask for it in one of our supplemental appropriation bills. I shall vote for it. I want to strengthen our Asian policy—but I want a policy—one that is known to the Congress and to the world.

Mr. CAPEHART. Mr. President, I do not think anyone can quarrel with anything that has been said on the floor of the Senate in the last hour. There is much virtue in every word that has been spoken. However, as a member of the Foreign Relations Committee, and as one who sat in the hearings, I should like to say that one-half of the amount involved here, \$75 million, must be loaned.

Let us not fool ourselves at all. The other \$75 million is an emergency fund. That is all it is. It is a fund which the President can spend in Asia, wherever he sees fit, when an emergency arises. As we know, we are spending billions of dollars to stop communism. The plea was made that something may happen in the next year or in the next 2 years, in connection with which we ought to spend a few million dollars, or give the President the right to spend the money. We ought not to tell the Communists what it is for, but we ought to have it available. I do not know whether the President will spend it. I hope the emergency will never arise. That is the basis on which the money is being asked for.

Under the circumstances, inasmuch as we are opposed to communism, and because we do not know where the Communist Chinese might strike next, I believe it would be wise to give the additional \$75 million to the President to spend if an emergency should arise.

Mr. AIKEN. Mr. President, the Senator from Indiana [Mr. CAPEHART] has given a correct explanation of the fund. It is to meet an emergency which may not be foreseen at the present time. Should an invasion be threatened in any part of southeast Asia, and it should become necessary to have roads and bridges and utilities, the money would be available to provide them.

I do not understand that it is to make up for cuts in other parts of the bill. It is an emergency fund. I do not believe it would be smart, even if we knew, to say where it was to be spent. It will be

available if it is necessary to make an expenditure of a considerable amount of money.

Mr. MUNDT. Mr. President, I shall not detain the Senate long. However, as a member of the Committee on Appropriations, and after having listened to many discussions of this fund, and as one who started out originally on the assumption that I was going to support the House figure of \$100 million, I should like to say that the debate here has convinced me that this is a wise expenditure, and I shall support the \$150 million fund. Therefore, although the debate here has lost a vote from Minnesota, it has gained one from South Dakota. Therefore, we are back to where we started.

I have two reasons for supporting the fund. One is that it concerns an area of danger in the world. It is a wise expenditure. I quite agree that it involves a dangerous area of the world. There is one place where we are in tricky waters. It is the one place where we know nothing is going to happen at the summit conference to affect it. It is a good plan to have a little extra powder in our ammunition kit.

I like the fund, because it is not programed. It is going to be programed before it is spent, but I like it because it is a reserve; it is there as a reinforcement. If we need it, we are going to need it quickly and in abundance.

The second reason why I shall support the fund is because it does deal with the whole region.

I wish to say to the Senator from Minnesota [Mr. HUMPHREY] who has expressed himself with reference to taking away money from India, that this money is not going to be used to give money to India through the back door, which the Senate denied on yea and nay vote to give through the front door. I do not think it is prudent or wise to be parsimonious with reference to money which we may need desperately before the end of another fiscal year.

Mr. BARKLEY. Mr. President, I sat through the hearings before the Committee on Foreign Relations on the foreign-aid authorization bill. I heard all the testimony in regard to the \$200 million Presidential fund which was recommended to the Senate and to the House. The authorization bill contemplated a 3-year program. Obviously, the money could not all be obligated in 1 year, and it ought not to be obligated in 1 year, because if it is all obligated in 1 year there is no more money available for appropriate use or emergency use during the remainder of the following 2 years.

It was said that only \$100 million could be obligated for the first year. It seems to me that is all that ought to be obligated. If it is all obligated for the first year, then nothing will be left to spend during the rest of the period.

If the President of the United States is to have such a fund, he should have one which will be useful in the fight against communism, and useful to bolster the stamina of nations which are our friends. It seems to me the fund should

be sufficiently large to serve the purpose presented to the Congress.

Therefore, I feel that the amount provided in the Senate amendment ought to be retained. I think the cut made by the House was too great a cut. I doubt whether the fund should have been cut at all. No one can foresee what may happen in Asia in the next 3 years. No one knows whether we may need more money to stabilize the countries which must be stabilized if our military aid is to be worth anything. It is useless to send military aid to a country whose economy is unstable and on the verge of collapse.

For those reasons, Mr. President, I shall support the committee amendment.

Mr. YOUNG. Mr. President, for better or for worse a great change has come over my Republican colleagues. I recall that in past years they were always very critical of appropriations for foreign countries. They wanted to know all about the projects before any money should be appropriated. Here we are appropriating \$200 million for projects which we know nothing about at all. By comparison Henry Wallace was a piker when he proposed that we give milk to all the people in Asia. We talk about half the money being a loan. That is true, but little of this will ever be repaid. We may as well say that the whole thing will be a gift. There will be no repayment to the United States, and there probably will be no appreciation in the end.

SEVERAL SENATORS. Vote! Vote!

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. A "yea" vote would be a vote to sustain the Senate committee's figure, and a "nay" vote would be a vote to sustain the House figure. Is that correct?

The PRESIDING OFFICER. That is correct. An affirmative vote would be a vote to sustain the committee amendment, and a negative vote would be a vote to sustain the House figure.

Mr. LONG. Mr. President, I spoke against the amendment because I thought it had not been adequately justified, and I differed with the principle involved. I am now constrained to think that from the argumentative point of view it is the most justified provision in the bill. It depends on whom one is talking to as to what the justification is. The first explanation was that the money was needed for a new and unprecedented purpose so that the President could have enough money to carry him 2 years instead of 1 year. That sounded very good to some Senators. That is apparently what was testified to before the Appropriations Committee, because a distinguished member of the Foreign Relations Committee and a distinguished member of the Appropriations Committee said that is what the committees were told.

Some of us thought the amount might be reduced, and a new argument was made. Someone had taken the Senator from Minnesota off on the side and ex-

plained to him that India's funds might be cut, and, because the Senator from Minnesota did not think that should be done, it was argued that they could cover the cut by making it up from this fund.

Someone explained it differently to another distinguished Member of this body, to the effect that it was an emergency fund. The President already had two emergency funds, one of \$100 million, granted without challenge or contest; another one for \$50 million without any strings to it. This would now be a third one without any strings. The world does not even know about this fund, and we are not supposed to know about it. Senators can take their choice. They have three good arguments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote the Senator from Delaware [Mr. FREAR] has a pair with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Texas would vote "yea."

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent, and, if present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Kansas [Mr. SCHOEPPPEL] are detained on official business.

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Kansas [Mr. SCHOEPPPEL]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—yeas 46, nays 38, as follows:

YEAS—46

Aiken	Capehart	Hayden
Allott	Carlson	Hennings
Barkley	Case, N. J.	Hickenlooper
Beall	Chavez	Holland
Bender	Clements	Ives
Bennett	Dirksen	Kilgore
Bridges	Douglas	Knowland
Bush	Duff	Kuchel
Butler	Green	Lehman

Martin, Iowa	Payne	Smith, N. J.
McCarthy	Potter	Sparkman
Millikin	Purtell	Stennis
Mundt	Saltonstall	Thye
Neuberger	Scott	Watkins
O'Mahoney	Smith, Maine	Wiley
Pastore		

NAYS—38

Anderson	Gore	Monroney
Barrett	Hill	Morse
Bible	Hruska	Murray
Byrd	Humphrey	Neely
Case, S. Dak.	Jenner	Robertson
Curtis	Johnston, S. C.	Russell
Daniel	Kennedy	Smathers
Dworshak	Kerr	Symington
Eastland	Langer	Thurmond
Ellender	Long	Welker
Ervin	Mansfield	Williams
Fulbright	McClellan	Young
Goldwater	McNamara	

NOT VOTING—12

Bricker	George	Magnuson
Cotton	Jackson	Malone
Flanders	Johnson, Tex.	Martin, Pa.
Frear	Kefauver	Schoeppel

So the committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 6, after line 2, to insert:

To the extent authorized by the Mutual Security Act of 1955, the unexpended balances of funds appropriated under authority of the Mutual Security Act of 1954 (except for \$100,000,000) are hereby continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available for the same general purposes in this act.

The amendment was agreed to.

The next amendment was, under the subhead "General Provisions", on page 11, line 16, after the word "year", to insert a colon and the following proviso: "Provided, That whenever the President determines that an emergency condition requires obligations and/or reservations in excess of the 20-percent limitation during the last 2 months of the fiscal year, this provision shall not prevail: *Provided further*, That whenever the President makes such a determination, he shall advise the Senate and House of Representatives immediately."

The amendment was agreed to.

The next amendment was, on page 12, after line 6, to insert a new section, as follows:

SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations

shall be reserved and shall remain available until expended, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including funds consolidated with any such appropriation), shall be maintained in one account, and funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, may be, where authorized by the President, maintained in such account, which shall be used for all transactions involving military assistance.

The amendment was agreed to.

The next amendment was, on page 14, line 7, to change the section number from "108" to "109."

The amendment was agreed to.

The next amendment was, on page 15, line 14, to change the section number from "109" to "110."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. HICKENLOOPER. Mr. President, I wish to address a question to the chairman of the committee. Heretofore and historically, ever since the adoption of the so-called Connally amendment, 6 or 7 years ago, there has been in the bill an amendment in the nature of an attempt to coerce, if you please, faithful performance of treaty obligations on the part of the French in Morocco, so far as the fair treatment of American citizens is concerned. Such an amendment has been in the bill every year for the past several years, except this year. By some procedure, that provision of the law of last year has been eliminated from the bill this year. I refer to the proviso added to section 105 of the act of last year, which is as follows:

Provided, That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction.

This is the important part, because the European Payments Union is substantially out of the way; it is the important provision of last year's law, which is a sequel to previous provisions:

Nor shall any of the counterpart funds generated as a result of assistance under this act be made available to such nation.

That has been the general inhibition or prohibition contained in these laws for the past several years.

The International Court of Justice has adjudicated that the treaties are in effect and are enforceable between the United States and Morocco. France has been violating the treaties for years.

This provision has constituted an attempt on the part of Congress to get the State Department and our other representatives to use merely common justice and common vigor in an effort to protect the rights of American citizens vis-a-vis the French nationals in Morocco, who are reaping fantastic profits out of the colonialism which they are inflicting upon Morocco, and which is rising up to smite them.

I apologize to the chairman of the committee for this prefacc to my question, but I wonder if the chairman would care to comment upon the reason why this language, or language to this effect, has been omitted from the appropriation bill this year?

Mr. HAYDEN. I do not know why the House omitted it. We did not find it in the bill, so we did not include it.

Mr. HICKENLOOPER. I suggest to the chairman that the Senate has found it necessary to put it in ab initio of its own accord. I do not know whether there was any particular reason why there should not be a safeguard in this particular bill, as there has been in those of the past several years.

Mr. HAYDEN. As the Senator has stated, we have heretofore placed such language in the bill, but have ended by accomplishing nothing.

If the Senator wants to do that again, I will accept the amendment and we will take it to conference.

Mr. HICKENLOOPER. The Senator from Iowa is subject to the same discouragement that comes from frustrations year after year, but I still believe in the old fable, "Try, try, try, again."

I shall not only suggest it, but I offer an amendment at this time to section 105 of the pending bill, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 11, line 13, after the word "debts", it is proposed to strike out the period, insert a comma, and add the words "nor shall such funds or counterpart funds be used for assistance other than military assistance of any country of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and which treaty has been declared valid by the International Court of Justice."

Mr. HAYDEN. The language of the amendment is identical to the language contained in the bill last year, is it not?

Mr. HICKENLOOPER. Not exactly. I have eliminated in this amendment

any reference to payments to European Payments Union.

I am glad the Senator has stated he will take the amendment to conference, but I assure him that I do not have my tongue in my cheek on this amendment being taken to conference. I shall expect complete insistence on the amendment by the Senate conferees. It has been in the law, as I say, for several years. It is not a Republican or a Democratic measure. It is a measure which has been generated on both sides of the aisle. It is a measure which, in my opinion, has not been respected by the Democratic administrations or the Republican administrations in the State Department. I think it is high time that the State Department should undertake to give a little more attention to the repeated directions of the Congress of the United States, so far as concerns citizens' rights abroad under treaties.

Mr. HAYDEN. Mr. President, I shall accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa, on page 11, line 13.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The LEGISLATIVE CLERK. It is proposed on page 5, line 14, to strike out "\$1,500,000" and insert in lieu thereof "\$2,000,000."

Mr. HUMPHREY. Mr. President, I have talked to the chairman with reference to the amendment. It applies to funds made available for ocean shipments of supplies of voluntary agencies, such as CARE, Catholic Welfare, Lutheran Welfare, and other church groups who send supplies overseas.

I think the amendment is highly desirable.

I ask unanimous consent that a telegram signed by the Reverend Monsignor Edward E. Swannstrom, executive director, Catholic Relief Services, in support of the amendment, be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., July 19, 1955.
Hon. HUBERT HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.:

Grateful your understanding and support on matter of ocean freight reimbursement for voluntary agency shipments to refugee and needy groups overseas. Our own agency and sister voluntary agencies form link between mountains of American surplus and neediest groups of work including refugees in West Europe, Vietnam, Hong Kong, Korea. Hope that Senators mindful of threats to peace in these needy groups will restore 3 million cut in original \$13 million allotted for ocean freight on surplus. Of this sum, at least \$10 million might well be allocated solely for voluntary agency shipment. Hope Senators will also restore cut of half million for ocean freight on regular overseas relief shipments of agencies. Budgets of agencies strained to utmost by extra administration costs in connection with surplus distribution

as well as rehabilitation and resettlement programs. It seems a tragic contradiction to halt worldwide programs so vital to easing of tension on account of so small a cut in appropriation. We shall deeply appreciate your continued concern and aid. Best wishes.

Rt. Rev. Msgr. EDWARD E. SWANSTROM,
Executive Director, Catholic Relief
Services NCWC, 350 Fifth Avenue,
New York, N. Y.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared on the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

I rise to support my amendment that would increase the appropriation for ocean freight on voluntary relief shipments from one million five to two million dollars. This fund helps America's voluntary overseas relief agencies provide relief assistance to people all over the world. As President Eisenhower said in his message to Congress on foreign aid on April 21 of this year:

"One of the unique, least expensive, and most fruitful aspects of the mutual security program is the participation, largely in humanitarian projects, of 47 voluntary organizations representing many millions of our citizens. The organizations do an exceptionally effective work in helping the escapees and refugees become self-supporting. They distribute large quantities of food on a people-to-people basis. But certain costs for transporting food, and for supplies beyond their own voluntary resources, are needed and should be provided."

The church groups and other humanitarian organizations that have been carrying on this relief work overseas have been helped enormously by Federal assistance for ocean freight shipments. This assistance has multiplied the relief programs that our voluntary agencies have been able to bring to people in need and distress abroad. And by bringing such relief to needy persons in other countries, the work of the voluntary organizations carries with it an expression of the humanitarian spirit that has always characterized America. As one outstanding civil leader has said of these activities:

"The religious faith programs account for an extraordinary percentage of the total of the voluntary relief work made possible abroad by the interest and efforts of Americans as individuals. * * *

"The religious faith work done abroad is of very great value to the United States. While it is carried on by the faith groups as a witness to their religious convictions and principles and in the general cause of brotherhood and humanitarianism, the mere fact that it is American—and virtually every overseas recipient knows this because delivery is universally through religious agencies—makes it of outstanding significance in the overall foreign relations picture.

At this time, when distrust, suspicion, and confusion so distort impressions of the United States abroad, the world-wide relief efforts of the churches—given and accepted on a simple people-to-people basis of human kindness—are particularly effective in portraying our true feelings to our neighbors overseas."

Actually the voluntary overseas relief agencies are assisted through two appropriations contained in the mutual-security appropriations bill now under consideration. One appropriation provides for assistance for ocean freight on surplus agricultural commodities. The Agricultural Trade Development and Assistance Act which we passed last year provides that up to \$300 million

worth of surplus commodities held by the Commodity Credit Corporation may be used over a 3-year period to provide assistance to friendly peoples in meeting famine or other urgent relief requirements. Further surplus agricultural commodities may be made available to eligible United States voluntary agencies for distribution overseas to needy people under certain circumstances.

The appropriation contained in the mutual-security appropriation bill which we have here under consideration is to assist the voluntary agencies in transporting the surplus agricultural commodities overseas. The amount programmed for this specific purpose in fiscal 1956 was \$13 million. This was reduced in the House to only \$10 million, but I am glad to say that the Senate Appropriations Committee has restored the appropriation to the \$13 million needed for ocean freight on surplus agricultural commodities during this coming year.

The other appropriation for assistance to these activities is for ocean freight on voluntary relief shipments. These are the regular shipments by approved American non-profit voluntary agencies of relief and rehabilitation supplies to people in need and in distress in other parts of the world. The budget amount estimated as needed in fiscal 1956 for ocean freight on voluntary relief shipments was \$2 million.

But the House reduced this amount to only \$1,500,000 and the Senate Appropriations Committee has not restored the cut. I would like to indicate to my colleagues why this reduction of \$500,000 will severely hamper the activities of the voluntary relief agencies and prevent them from carrying out as fully as they might the fine humanitarian programs which bring so much credit to the United States throughout the world.

There are two main reasons why the voluntary relief agencies need a half-million dollars more for shipments of relief materials in 1956 than they have in 1955. Shipping charges have increased 10 to 15 percent during the past year. This would mean that they would need 10 to 15 percent more funds for freight charges during 1956 than in 1955, all other factors remaining the same.

But the agencies are shipping greatly increased amounts over last year to such places as Vietnam, Formosa, and Hong Kong. These shipments are in addition to the regular shipments to European and other points not so far distant from the United States. So it is clear that greater funds will be needed to assist the agencies in their shipments if they are to contribute to the relief and rehabilitation of people displaced and suffering from war in the Far East and are at the same time to carry out the activities they have been engaged in right along.

To indicate the extent to which the funds provided these voluntary agencies help others throughout the world, let me just quote to you the figures on the shipments carried out in the year just ending.

American voluntary agencies have shipped 68,250,000 pounds of relief supplies contributed by their constituents, either in kind or purchased, to 18 different countries where ocean freight reimbursement was provided. The value of the goods shipped amounts to \$23,250,000.

Let me make it quite clear that this sum represents funds collected and raised from private sources and in no way represents money spent from the Public Treasury.

What we are doing here is merely assisting these very worthy organizations in the fine work they are doing for people in distress and in need of help. And I also wish to point out that the voluntary agencies ship relief supplies to many countries in the world where ocean freight is not reimbursable and where they themselves must pay the cost.

Obviously, whenever the voluntary agencies must pay the ocean freight charges out of their own funds, they are, to that extent, deprived of funds to be used for actual relief supplies and services. If we do not provide adequate appropriations for ocean freight on voluntary relief shipments, the voluntary relief agencies will have to curtail their activities during the coming year and will not be able to assist people needing their help in many parts of the world.

It is for that reason I have introduced the amendment increasing the appropriation for ocean freight on voluntary relief shipments from \$1,500,000 to \$2 million.

I urge my colleagues to support this amendment so that the humanitarian work of the voluntary overseas relief organizations can fully reach those people in need and in distress throughout the world.

I would like to explain further the need for the appropriation for the other activity—to cover ocean freight charges on surplus agricultural commodities. I have already spoken of how this assistance permits the distribution to needy persons in other parts of the world of surplus agricultural commodities that would otherwise be spoiled or wasted. As I indicated, the Appropriations Committee has already restored the appropriation for this purpose to \$13 million. But I wish to emphasize why this full amount is needed and, in fact, is less than the amount that could be used to help in the distribution of surplus farm commodities overseas.

The funds used for this purpose during the past fiscal year totaled approximately \$7,300,000. However, this amount was used during only the last 5 or 6 months of the fiscal year, when the agencies surplus distribution programs were getting fully underway. During the first half of fiscal 1955 comparatively little surplus over previous programs was shipped.

The forthcoming quarter, now that the surplus agricultural commodities distribution program is in full swing, that is the quarter we are now in, from July through September will require nearly \$4 million for ocean shipping of farm surpluses.

So we get a truer picture of what will be needed for this purpose during the coming year if we multiply the funds needed for the present quarter than if we take the amount required for the past fiscal year when the program was only becoming operative.

In fact, as the shipments of some commodities, such as butter and cheese, are restricted during the summer months, shipments during subsequent quarters will be even a bit heavier so that the estimate should be somewhat higher. Also, in several countries such as Vietnam, programs of some agencies are only getting underway, so that shipments to these areas will be increased later in the year.

In all, the voluntary relief agencies estimate that their need will be at least \$17 million in ocean freight funds to carry on the surplus commodity distribution programs during fiscal 1956.

I wish to make it clear that the figure of \$13 million allowed in the Budget estimate and which I am here supporting is proposed solely because it is all that is authorized under the present legislation.

I am aware of the need for greater funds even than that contained in the appropriation bill under consideration and wish to go on record as recommending that greater funds undoubtedly will be needed for overseas shipment of surplus farm products before the fiscal year is over. I think we should recognize the need and be ready to authorize additional funds for this purpose when we convene next session.

A further consideration concerning this appropriation for ocean freight on surplus agricultural commodities is that at least \$10

million of the \$13 million should be clearly earmarked for the use of the voluntary relief agencies.

Let us consider what lack of adequate funds for this purpose means—the American Council of Voluntary Agencies for Foreign Service, made up of 42 religions and humanitarian organizations, has stated the case in these words:

"Insufficient ocean-freight funds for the movement of supplies during the past year severely limited their program. One agency alone, for instance, was able to move only 57 percent of its program requirements and could have shipped and distributed another 150 million pounds of surplus food had the enabling freight funds been available."

And the American Council of Voluntary Agencies for Foreign Service goes on to ask:

"What happened because the ocean-transport funds made available to the voluntary agencies were inadequate? Two things: (1) Millions of men, women, and children continued to endure endless days of hunger while (2) America's surpluses continued to pile up in storage at tremendous cost to the American taxpayer. The amount of food-stuffs one agency planned to ship overseas during the past year—but could not because of inadequate ocean-freight allocation—for instance, is costing the American taxpayer more than \$1½ million just to keep in storage for the period October 1, 1954, through June 30, 1955, alone."

So let me reiterate, Mr. President, we should support the full \$13 million presently provided in the bill for ocean freight of surplus farm commodities, earmark at least \$10 million of this for assistance to the voluntary relief agencies, and be ready to authorize the additional funds that will be needed before the end of the fiscal year.

In conclusion, let me again state that the amendment I have introduced would help the voluntary agencies provide a maximum of relief to those in distress from war and those suffering other needs in many parts of the world.

By increasing the ocean freight on the voluntary relief shipments appropriation to \$2 million, it would insure that these humanitarian activities for the relief and rehabilitation of the needy would not be curtailed during the coming year. And, similarly, the \$13 million included in the bill for ocean freight for surplus agricultural commodities should be supported with the thought in mind that additional funds will be needed and should be authorized before the fiscal year is over.

May I say that by assisting the activities of private voluntary agencies in their relief work overseas, we are getting a great deal more for our investment even than when we spend Federal funds directly for these purposes.

Let me quote again from the American Council of Voluntary Agencies for Foreign Service about the voluntary agencies:

"Their work contrasts with the usual government-to-government approach. During the past year alone they have concretely demonstrated that they can bring the great heart and goodwill of the American people directly to the needy overseas with an impact so often lost when governments carry out or control distributions. They have proven that they are an inexpensive and effective way of placing a portion of America's surpluses at the disposal of the needy of the free world."

"The voluntary overseas relief agencies of America, registered with the United States Government, number among their constituents the overwhelming majority of the people of America. They are ready and willing to lend their full support to relieving the human misery throughout the world with American abundance as Congress so evidently intended. It would be a tragic con-

tradition if they were unable to do so due to insufficient ocean freight funds or the diversion of available funds to other uses."

Mr. HAYDEN. Mr. President, this is an amendment to the text of the bill. I will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY] on page 5, line 14.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Several Senators asked for the yeas and nays, and the yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, because of pressing committee duties, I have not been able to be on the floor much of the day during the debate on this bill. I am sure there is yet need for some assistance from the United States to some other nations in the world. I would be willing to vote for some reasonable appropriation for specific purposes.

When I say that, Mr. President, I mean if we could have specific projects before us, with reports on them as to what the purpose of the appropriations was and what the results would be, just as we require when we are asked to vote for or against appropriations for projects for public improvements in the United States. But we do not have that here in this bill. Something over \$50 billion has been appropriated and expended for foreign assistance since the end of World War II. It is time to stop this or at least reduce these expenditures to the minimum.

I had thought that such a program was to be a temporary program, and in that hope I voted for the Marshall plan. I thought it was to restore war-torn countries so they could be rehabilitated to a certain economic standard and could become self-sustaining. The principal nations which needed rehabilitation at that time have been restored, and have been restored far beyond their prewar production and economic capacities. That task we assumed, that project is finished.

Now we are confronted with the proposition of whether this is to become an indefinite program and a permanent burden upon the American taxpayer. We already have in the till and in the pipeline, from previous appropriations for countries all over the world, \$8 billion. There is no promise from any responsible source that there will be an end to this program. Instead, we are told that, so far as the foreseeable future is concerned, it must be continued indefinitely. I do not agree.

I know but one way to call a halt to this thing. That is to vote against it. We will have the same thing next year, the fiscal year after that, and the fiscal year after that. I know of but one way to call a halt to it, and that is to stop

appropriations. I am going to vote against the passage of the bill.

I would be perfectly willing to vote for \$1 billion, or perhaps for \$1½ billion, or, at the extreme, \$2 billion, if it could be pointed out to me that the money would be going for a definite, specific purpose, and if I knew the money was going to build up the strength of the free nations of the world. But I can no longer tolerate the philosophy that we must purchase friendship. I never have believed in that philosophy, and I do not believe in it now. It is fallacious. It is unsound and untrue.

When there is before Congress a proposal to spend a few dollars for a project in Arkansas, for example—and there are many down there, and I am not talking only about my own State, but the situation is common in all the States—where this Government could spend a few thousand dollars or a few million dollars even to build a project of internal improvement, which would enhance the economy of the area involved, we are subjected to all kinds of reports and surveys and budget control. Then after we pass the bill, as the distinguished senior Senator from Louisiana referred to the matter tonight, we are threatened with a freezing of the money.

I am fed up with it, and I am going to vote against the bill, until this administration or the next administration—and I am not singling out this administration—comes to its senses, and we all come to some practical evaluation of realities with respect to this foreign-spending program. If some Senators wish to make this program a permanent wart on the fiscal burden of our Nation, if so, I do not agree. We have gone along; I think I have voted for almost every appropriation bill for the foreign-expenditures program. When I have lost in an attempt to make a reduction, I have gone along with the final bill.

But now I am unwilling to go further, Mr. President; I have made that decision. I may be criticized for it. We have a summit meeting now in progress and I hope great and most beneficial results will come from it. But I do not believe we make any progress by offering an inducement of indiscriminate permanent financial assistance. I do not believe we make permanent friendships in that way. We have spent money and spent money; and tonight we are not quite certain whether we have made friends—enduring friends and permanent friendships. In some instances I know we have not.

Mr. President, I regret very much to do so; but under these circumstances I shall have to vote again this bill, although I would be willing to vote for the bill if it had been reduced to an amount which in my judgment was generous under the conditions obtaining today, and with some provision for a specific program, some way for us to know what the objective is, what the money is for and what are the promised benefits of the hoped for results. In that case, I would again, as I have in the past, go along with the general trend and support this foreign spending appropriation.

But, in my judgment, the only way to stop this thing—and Senators had better

think about it; and I know there are those of my colleagues who tonight are on the borderline—is for us once and for all to express our disapproval until such time as our administrative authorities come to their senses. They will continue to spend and spend without rhyme or reason unless we—the Congress—stop them.

It is in that spirit that I shall vote against the bill. It provides too much money. Between \$8 billion and \$9 billion is available now for expenditure from previous appropriations. It is time to slow down and to make some evaluations.

Other Members may, and of course, will differ with me as to what they believe is right. I have simply stated my position; I state it for the RECORD, because I wish the record to show why I shall vote as I have announced I will.

Mr. CASE of South Dakota. Mr. President, the Senator from Arkansas has quite well expressed my view regarding this particular bill. The bill as reported to the Senate called for a total of \$3,205,341,750. At least several million dollars of appropriations have been added to the bill during its consideration on the floor of the Senate.

This appropriation bill carries a total of \$234,241,934 more than the appropriations for the same purpose in last year's bill, plus the amounts added here on the floor of the Senate, which makes the total appropriations carried by the bill amount to approximately one-fourth of a billion dollars more than the amount appropriated last year for this purpose.

Mr. President, I have observed the foreign-aid program from its inception. I was a Member of the House of Representatives when it began. I recall the promises made then regarding how long the program would run and what it would cost. It has continued long beyond the time when it was said that it would be necessary. I have seen those in charge of that program predict, each year, dire consequences unless Congress appropriated the last penny requested. At the end of every year I have seen the RECORD spread with tributes to the achievements in that year, despite any reductions which have been made.

It is absurd to claim that this year the program is being tapered off; such a claim is absurd on the face of things, inasmuch as the appropriations carried in this bill total almost one-quarter of a billion dollars more than the appropriations in last year's bill.

This bill takes us in the wrong direction, if we really have any idea at all of eventually eliminating or reducing to a reasonable size the appropriations for the foreign-aid program.

I shall vote against the bill because I think it provides too much money, and because I think this year we should not be appropriating more money than we appropriated for this purpose a year ago.

Mr. DIRKSEN. Mr. President, I shall take only 15 seconds in which to advise the Senate that, as regards the argument that the pending bill carries larger appropriations than those carried in the corresponding bill of last year, this is

the first year the Korean burden is carried by the bill. That puts it in an entirely different light—when there is talk about appropriating more money this year than last.

The PRESIDING OFFICER. The question is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Georgia [Mr. GEORGE], the Senator from Washington [Mr. JACKSON], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON], the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Kansas [Mr. SCHOEPPPEL] are detained on official business.

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Kansas [Mr. SCHOEPPPEL]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Kansas would vote "nay."

Also, on this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Nevada [Mr. MALONE]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Nevada would vote "nay."

The result was announced—yeas 62, nays 22, as follows:

YEAS—62

Alken	Gore	Mundt
Allott	Green	Murray
Anderson	Hayden	Neely
Barkley	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bender	Hill	Pastore
Bennett	Holland	Payne
Bible	Humphrey	Potter
Bridges	Ives	Purtell
Bush	Kennedy	Saltonstall
Butler	Kilgore	Scott
Capehart	Knowland	Smathers
Carlson	Kuchel	Smith, Maine
Case, N. J.	Lehman	Smith, N. J.
Chavez	Mansfield	Sparkman
Clements	Martin, Iowa	Stennis
Dirksen	McCarthy	Symington
Douglas	McNamara	Thye
Duff	Millikin	Watkins
Ervin	Monroney	Wiley
Fulbright	Morse	

NAYS—22

Barrett	Dworshak	Jenner
Byrd	Eastland	Johnston, S. C.
Case, S. Dak.	Ellender	Kerr
Curtis	Goldwater	Langer
Daniel	Hruska	Long

McClellan
Robertson
Russell

Thurmond
Welker

Williams
Young

NOT VOTING—12

Bricker
Cotton
Flanders
Frear

George
Jackson
Johnson, Tex.
Kefauver

Magnuson
Malone
Martin, Pa.
Schoeppel

So the bill (H. R. 7224) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist on its amendments, request a conference thereon with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. CLEMENTS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. KNOWLAND, and Mr. DIRKSEN conferees on the part of the Senate.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1063, House bill 6382.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments.

NEWSPAPER COMMENT ON ILLNESS OF SENATOR JOHNSON OF TEXAS

Mr. DANIEL. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks certain articles from the Dallas News and the Austin American, concerning my distinguished colleague, the majority leader [Mr. JOHNSON of Texas].

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Dallas Morning News of July 16, 1955]

BEFORE DEPARTURE—PRESIDENT VISITS LYNDON JOHNSON

(By Walter C. Hornaday)

WASHINGTON.—President Eisenhower took time out Friday from his preparations to fly to Geneva and visited Senate Democratic Leader LYNDON B. JOHNSON at Bethesda Naval Hospital.

He spent 15 minutes with JOHNSON, who was finishing a luncheon steak when the President walked in. The Texan is recovering from a heart attack he suffered last July 2.

Mrs. Johnson knew Mr. Eisenhower was coming, but the visit was unexpected to JOHNSON.

Only a nurse was in the room while the President and JOHNSON chatted.

JOHNSON gave his wife a fill-in as soon as the President left, and Mrs. JOHNSON passed on the information to newsmen.

This is what occurred, according to Mrs. JOHNSON's report:

The President informed JOHNSON he had held an excellent bipartisan meeting last Wednesday on the forthcoming summit meeting at Geneva. He said he was sorry JOHNSON couldn't be there and had missed him.

Mr. Eisenhower told JOHNSON he had wanted to come out last week, but was advised by the hospital physicians, through the White House doctor, that he shouldn't at that time.

The President went on to say that he did want to drop by before leaving for Geneva to wish JOHNSON well.

JOHNSON told the President that he believed if he would explain the American people and their attitude to the people of the world it would be a great achievement that would help ease world tensions.

The Texan said Mr. Eisenhower appeared in a hopeful mood about results of the Geneva Conference and stated he was going there to learn what he could and do what he could to help ease world tensions.

As the President left the hospital floor where JOHNSON is recovering from a heart attack he told Mrs. JOHNSON the Senator looked fine, better than he expected.

"My heart will stay with you and LYNDON on my trip," he said to Mrs. JOHNSON as he caught the elevator to the ground floor.

The Navy nurse who watched and listened to the Johnson-Eisenhower meeting was Lt. Dorothy Anson, of Ferndale, Wash. She remained because of strict orders that the Texan is not to be left without a qualified attendant.

The President was accompanied by Dr. Howard Mc. Snyder, the President's personal physician.

Flowers have been sent to JOHNSON on three occasions by the President and Mrs. Eisenhower since he was stricken.

[From the Dallas Morning News of July 14, 1955]

ILL WIND BLOWS GOOD FOR JOHNSON (By Ruth Schumm)

The heart attack which almost cost the life of Senate Democratic Leader LYNDON B. JOHNSON has served to publicize his beliefs and accomplishments more spectacularly than anything else would have, short of an obituary. After he was stricken, every newspaper and news broadcast brought the work of the Texas Senator dramatically and simultaneously to the attention of the whole Nation.

Although JOHNSON's name recently had been mentioned more frequently and prominently as a possible presidential candidate because of his Senate record, observers had pointed out that this record was not well known outside Washington.

JOHNSON's success as majority leader has been based largely on his smooth-working tactics behind the scenes, personal contacts and private phone calls which don't make headlines. This solved problems but did not produce the colorful conflict that attracts publicity.

JOHNSON was getting the job done in remarkable, some thought, unprecedented, fashion. But he was getting it done in a way that would bring him credit only among those who know the inside workings of the Senate.

Now his unique success in achieving party unity and such a notable record is being praised on every hand and called to the attention of the man in the street by editorial writers, columnists, and commentators.

Conservatives who have shied away from JOHNSON as Democratic standard-bearer because they remember him as a young, ideal-

istic Roosevelt-idolizing Congressman from New Deal days are now being reminded of JOHNSON's achievements by compromise as a feet-on-the-ground progressive.

Liberals who could not warm up to the idea of having JOHNSON as their candidate because they thought of him as a typical Southern conservative are now hearing about progressive measures which passed the Senate due largely to his work.

Independents are hearing of JOHNSON's determination to make the Democratic opposition in the Senate a responsible one—a philosophy particularly appealing to the voter who wants to cast his ballot for the good of the country, regardless of party lines.

Even though Democratic leaders may believe now that a national convention would never nominate a man for President who had had a heart attack, JOHNSON's complete recovery, combined with a continuation of his successful policies of Senate leadership, may change their minds.

A clue to some of the thinking along this line comes from JOHNSON's Senate colleague, PRICE DANIEL. DANIEL, who supported President Eisenhower in 1952, made the following observation about JOHNSON this week in his newsletter to Texas papers:

"It is he more than anyone else who has been able to bring together for the good of the country a majority in the Senate on many important issues. It is he more than anyone else who might be able to help restore unity and confidence in the Democratic Party, both in Texas and in the Nation."

[From the Austin American of July 16, 1955]
ON GENEVA EVE—PRESIDENT PAYS VISIT TO LYNDON

WASHINGTON, July 15.—President Eisenhower took over 2 hours out of his busy last day here before going to the Geneva meeting to ride out to Bethesda Naval Hospital to visit Senator LYNDON JOHNSON. The President spent fully 15 minutes with JOHNSON privately discussing his plans and hopes for the meeting at the summit.

This time it was JOHNSON, the sick man, trying to give encouragement and good hope to the well man who must go forward to help lead the world.

And when the President left that bedside he must have been touched, for he told Mrs. JOHNSON he was leaving his heart with the Texas Senator who was felled by a heart attack while constructing laws, some of which will help Eisenhower to show a strong hand at Geneva.

The President told the Senator that there had been a fine bipartisan meeting on July 12, but he had missed him at the White House. Then the President launched into a discussion of what he expects to find at Geneva and what he thinks can be done there.

Later Senator JOHNSON said he and the President had talked about peace; the Senator thought the President appeared hopeful of the results.

JOHNSON told the President that he had a way of getting others to work together; he thought the President would do well in handling affairs of nations and would correctly convey the United States desires for peace. Senator JOHNSON gave the President this thought:

"If you can interpret America to the world, you will have done a tremendous thing here." The President seemed to receive inspiration from the thought.

He said later that JOHNSON was looking better than he had expected. The President had wanted to visit JOHNSON last week but was cautioned by doctors not to do so. The Senator did not know today that the Chief Executive whom he tried to serve in the Senate was coming to call. Mrs. JOHNSON did. She was sworn to secrecy; hours later the JOHNSON family had to wait for the White House to announce the visit.

THE WICHITA MOUNTAINS WILD GAME REFUGE

Mr. MORSE. Mr. President, I had intended to deliver an address on a very serious conservation problem, but I shall forego that speech by making a very brief reference at this time to an exceedingly able statement on this subject which was made on July 20, 1955, by Mr. C. R. Gutermuth, director of the Wildlife Management Institute, who testified before the Senate Appropriations Committee in behalf of representatives of five national conservation organizations.

Mr. Gutermuth and his associates appeared in opposition to the Army's attempt to take over 10,700 acres of the Wichita National Wildlife Refuge in Oklahoma.

I have read the testimony of Mr. Gutermuth. All he attempted to do in that testimony was to review the position taken by those five large national conservation organizations in regard to the Army's attempt to take over a part of the Wichita National Wildlife Refuge in Oklahoma.

In my opinion Mr. Gutermuth is one of the most able experts, and one of the best witnesses in the entire United States on this national conservation problem. He certainly made no attempt to question, either directly or indirectly, or by inference, the accuracy of any of the statements of the witnesses of the United States Army. He replied to them and set forth his differences with them. He was speaking in behalf of five national organizations which were merely presenting their views on the important subject matter under consideration, as to whether or not there was any real justification for permitting Fort Sill to take over a substantial part of the Wichita National Wildlife Refuge in Oklahoma.

Therefore, as I read the transcript of the hearing, I was somewhat amazed to discover that the witnesses on behalf of the Department of the Army should resort to the age-old tactic of attempting to discredit an opposition witness in an effort to gain their objective. I think the unkind criticisms and inferences which these Army witnesses hurled at this noted conservationist were simply uncalled for.

He had testified that within the very recent past he and certain of his associates had been over this particular territory, and he had stated that he was very familiar with the territory. There is no question about the fact that he is familiar with the territory. There is no question about the fact that he had inspected the territory very carefully. But the Army witnesses sought to raise serious questions as to his veracity and reliability when they called attention to what they considered to be some errors in certain parts of his testimony.

One of the Army witnesses, by way of rebuttal and in commenting upon differences of opinion which exist between the Army and Mr. Gutermuth, said:

This error on Mr. Gutermuth's part belies his earlier statement that he is familiar with the land in question.

I may say to the brass who made that statement that the brass had better get out and march over the land, as Mr.

Gutermuth walked over it. If they did that, they would know for a certainty that Mr. Gutermuth testified from actual experience and contact with the land.

In my judgment, some of the rebuttal statements of the Army witnesses are not to the credit of the Army. I believe the very fine statement Mr. Gutermuth made on this occasion should be made a part of the RECORD. Therefore, rather than speak at greater length, as I had intended originally to do, I shall close my remarks by expressing my complete confidence in the reliability of Mr. Gutermuth, and by asking unanimous consent that his testimony before the Committee on Appropriations on July 20, 1955, be incorporated at this point in the RECORD as a part of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF C. R. GUTERMUTH BEFORE THE SENATE APPROPRIATIONS COMMITTEE

Mr. Chairman, we certainly appreciate this opportunity to appear before your committee. We will not take more than 15 minutes of your valuable time. Permit me to introduce my colleagues, Mr. Charles H. Callison, conservation director of the National Wildlife Federation; Mr. Michael Hudoba, conservation director of the Outdoor Writers Association of America, and the Washington editor of Sports Afield; Mr. Fred M. Packard, executive secretary of the National Parks Association; and Mr. Howard Zahniser, executive secretary of the Wilderness Society. I am C. R. Gutermuth, vice president of the Wildlife Management Institute.

Mr. Chairman, we feel that the members of your committee, and the other Members of Congress, are not being given all of the facts in this latest attempt on the part of the Army to grab a large part of the Wichita National Wildlife Refuge in Oklahoma. News of the passage of the authorization bill is getting around, and wires and letters of protests are coming in from all parts of the country. As stated to the House Appropriations Subcommittee, we have been able to pacify some of the outraged citizens by repeating what was said in the House hearings on H. R. 6829, and in the Senate debate, that the authorization bill did not constitute final action, and that the proposed land acquisition program for Fort Sill would have to be justified later before the Appropriations Committees.

Mr. Chairman, we discovered in the special hearing granted to us on July 12 by Chairman SIKES, before his House Appropriations Subcommittee for Army Construction, that many of the Members of Congress did not realize that the authorization and appropriation of that \$3,053,000 item for Fort Sill would be regarded by the Army as having received congressional approval for the taking of the 10,700 acres of land from the Wichita Refuge. No mention is made of any such transfer of those valuable refuge lands in the supplemental appropriation bill, nor in the House report (No. 1116) on the bill. It is, therefore, easy to understand why so little objection was raised either in the House or in the Senate.

In view of that, Mr. Chairman, we would like to include the following questions and answers appearing on pages 3874-75 of the Military Public Works Report No. 20 covering the House hearing on H. R. 5700 (H. R. 6829):

"The CHAIRMAN. If you acquire it, how would you do it?

"Colonel SHULER. It would be an administrative transfer, Mr. Chairman, at an estimated \$1,000 and we would have to work it out with the Department of the Interior.

"General WILLIAMS. It is presumed, sir, that since the Budget Bureau has approved

15. MEXICAN FARM LABOR. Conferees were appointed on H. R. 3822, the Mexican farm labor bill (p. 9850). Senate conferees were appointed on July 22.
16. FOREIGN AID. Conferees were appointed on H. R. 7224, the Mutual Security Appropriation bill for 1956 (p. 9807). Senate conferees were appointed on July 22.
17. RESERVE FORCES. Agreed to the conference report on H. R. 7000, to provide for strengthening the Reserve Forces (pp. 9839-49).
18. COMMODITY EXCHANGES. The Agriculture Committee ordered reported S. 1051, to amend the Commodity Exchange Act regarding fees for registrations and renewals of certificates (p. D774).
19. RECLAMATION; ELECTRIFICATION. Rep. Hosmer spoke in opposition to the proposed upper Colorado storage project and cited Southern California's alleged water losses if the project is undertaken (pp. 9850-3).
20. SMALL BUSINESS. The Banking and Currency Committee reported with amendments S. 2127, to amend and extend the Small Business Act of 1953 (H. Rept. 1350) (p. 9863).
21. FOREIGN TRADE. The Public Works Committee reported without amendment H. R. 6769, to provide better facilities for the enforcement of the customs and immigration laws, and to increase the amounts authorized to be expended (H. Rept. 1395) (p. 9863).
22. ROADS. The Rules Committee reported a resolution for the consideration of H. R. 7474, the Federal-State highway construction bill (p. 9863). The resolution provides for 3 hours of general debate, and permits amendments to all parts of the bill except Sec. 4, which deals with the proposed tax increases.
23. RECLAMATION. The Aspinall subcommittee of the Interior and Insular Affairs Committee ordered reported the following bills to the full committee, July 23: H. R. 1603, to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects; H. R. 5169, to authorize the construction of a Federal reclamation project to furnish a water supply for the lands of the Arch Hurley Conservancy District, N. Mex.; S. 180, to authorize construction, operation, and maintenance of the Washita River Basin reclamation project, Okla.; and reported without recommendation H. R. 5749, providing for Federal construction and operation of the Ainsworth unit of the Missouri River Basin project (to be held in full committee pending receipt of final project planning report); and reported with recommendation to table H. R. 310, to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Okla. (p. D775).

BILLS INTRODUCED

24. PERSONNEL. H. R. 7555, by Rep. Holifield, H. R. 7556, by Rep. Hope, H. R. 7577, by Rep. Davis, Tenn., and H. R. 7578, by Rep. Fascell, "to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended;" to Post Office and Civil Service Committee (pp. 9864, 9865).
S. 2628, by Sen. Johnston, S. C. (for himself and Sen. Carlson), to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies; to Post Office and Civil Service Committee (p. 9766).

25. RECLAMATION. H. R. 7548, by Rep. Baldwin, to authorize the construction of additional works for the extension of the Contra Costa Canal, a feature of the Central Valley project, California; to Interior and Insular Affairs Committee (p. 9864).
26. ELECTRIFICATION. H. R. 7554, by Rep. Hayworth, to promote the common defense and the general welfare of the people of the United States by encouraging maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, natural gas, and water; to Interstate and Foreign Commerce Committee (p. 9864).
27. PERSONNEL. H. R. 7562, by Rep. McDonough, "to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended;" to Post Office and Civil Service Committee (p. 9864).
28. VETERANS' BENEFITS. H. R. 7569, by Rep. Smith, Miss., to amend the Veterans' Readjustment Assistance Act of 1952 to provide education and training rights for persons who enlisted in the Armed Forces of the United States during January 1955, but who were not on active duty on January 31, 1955; to Veterans' Affairs Committee (p. 9865).
29. WATER. H. R. 7570, by Rep. Smith, Miss., authorizing the Secretary of the Interior to make a comprehensive survey and study of the ground-water resources of the Mississippi Valley embayment area; to Interior and Insular Affairs Committee (p. 9865).
30. TOBACCO RESEARCH. H. J. Res 398, by Rep. Abbitt, directing a study and report by the Administrator of the Agricultural Research Service of the Department of Agriculture proposing an expansion of the tobacco production, utilization, and marketing research program, with primary emphasis on basic research; to Agriculture Committee (p. 9865).

ITEMS IN APPENDIX

31. RECLAMATION; ELECTRIFICATION. Speech in the House by Rep. Thomson, "yo., replying to criticism of the upper Colorado River storage project by Leslie A. Miller, stating that "the project will pay for itself within 50 years" (pp. A5403-4).

Speech in the House by Rep. Dawson in favor of the upper Colorado project (p. A5404).

Rep. Dempsey called attention to an illustrated Time magazine article, "The American Desert, 1955;" which shows the effect of irrigation in reclaiming desert land, and inserted a letter of comment to the editor from a reader (p. A5426).

Rep. Dixon inserted a statement from the mining industry of the Northwest stating that water resources to be opened up by the upper Colorado project are needed to support mining development of that region (pp. A5435-6).

Speech in the House by Rep. Dixon citing a Supreme Court study which recommended against the upper Colorado basin States' being drawn into current litigation with Calif. (pp. A5436-7).

Extension of remarks of Rep. Metcalf supporting the upper Colorado project as the result of the elimination of Echo Park Dam from this project (p. A5446).

Sen. Thye inserted a Denver Post editorial commending the stand of Administrator Nelsen in opposing recommendations of the Hoover Commission regarding REA (pp. A5426-7).

without restriction where similar commodities are exported in raw or processed form;

S. 2260. An act granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries;

S. 2269. An act for the relief of Mualla S. Holloway;

S. 2270. An act for the relief of Nadia Noland and Samia Ouafa Noland;

S. 2277. An act authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such lands from the city;

S. 2295. An act to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments;

S. 2296. An act to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments;

S. 2297. An act to further amend the Agricultural Adjustment Act of 1938, and for other purposes;

S. J. Res. 73. Joint resolution to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt; and

S. Con. Res. 44. Concurrent resolution to erect on the Capitol Grounds a memorial bell tower in memory of Robert A. Taft.

MUTUAL SECURITY APPROPRIATION ACT, 1956

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, it is my understanding that the managers on the part of the House will do their very best to see that the amount put in the bill by the Senate will be stricken?

Mr. PASSMAN. I can assure the gentleman that will be the disposition of the House conferees.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PASSMAN, GARY, ROONEY, CANNON, FERNANDEZ, LANHAM, NATCHER, DENTON, TABER, WIGGLESWORTH, FENTON, FORD, and HAND.

PURCHASE OF BONDS TO COVER POSTMASTERS, OFFICERS, AND EMPLOYEES OF THE POST OFFICE DEPARTMENT AND MAIL CLERKS OF THE ARMED FORCES

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4778) to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request to the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MURRAY of Tennessee, MORRISON, and REES of Kansas.

ROBERT A. TAFT MEMORIAL

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S. Con. Res. 44) to erect on the Capitol Grounds a memorial bell tower in memory of Robert A. Taft.

The SPEAKER. Is there objection to the request of the gentleman from Ohio. There was no objection.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Robert A. Taft Memorial Foundation is authorized to erect on the Capitol Grounds, and present to the Congress of the United States, a memorial bell tower of appropriate design dedicated to the memory of Robert A. Taft. Such memorial shall be equipped with bells and shall be erected on the site described as square 633 on the drawing of the Architect of the Capitol. Such site is located just below the Fountain Plaza area, and lies between New Jersey Avenue on the east, Constitution Avenue on the south, C street on the north, Louisiana Avenue diagonally on the northwest, and First Street on the west.

SEC. 2. The design and plans for the erection of such memorial shall be subject to the approval of the Architect of the Capitol, with the advice of the Commission of Fine Arts, and such memorial shall be erected without expense to the United States.

SEC. 3. The authority granted by the first section of this act shall cease to exist unless (a) within 1 year after the passage of this concurrent resolution the plans for such memorial have been presented for the approval of the Architect of the Capitol, and within 3 years after such approval, the erection of such memorial has commenced, and (b) the Architect of the Capitol finds that, prior to the commencement of the erection of such memorial, sufficient funds are available to insure its completion.

SEC. 4. After the completion of the memorial according to the approved plans and specifications, it shall be accepted on behalf of the people of the United States by the Congress and thereafter shall be maintained by the Congress as part of the Capitol Grounds.

The resolution was agreed to; and a motion to reconsider was laid on the table.

ONE HUNDRED SEVENTY-FIFTH ANNIVERSARY OF THE ESTABLISHMENT OF THE CONSTITUTION OF THE COMMONWEALTH OF MASSACHUSETTS

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Con. Res. 193) commemorating the 175th anniversary of the establishment of the Constitution of the Commonwealth of Massachusetts.

The Clerk read the resolution, as follows:

Whereas the 175th anniversary of the establishment of the constitution of the Commonwealth of Massachusetts will occur on October 25, 1955; and

Whereas there are embodied in this constitution cultural, social, and legal principles

which form a major part of the proud heritage of the Commonwealth of Massachusetts; and

Whereas the people of the other States of the Union share with the people of Massachusetts the blessings of a society founded upon these principles; and

Whereas the importance in these troubled times of keeping alive in the Nation and in the world the tradition of courage, the love of freedom, and the consideration of one's fellow man, which are embodied in the historic document upon which representative government was founded in Massachusetts: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its felicitations to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution, and expresses the gratitude of the American people for the part played by the early statesmen of Massachusetts in building the foundations which have served the Commonwealth and the Republic so well.

Mr. McCORMACK. Mr. Speaker, 175 years ago this year the Constitution of the Commonwealth of Massachusetts was adopted. That great document became effective on October 25, 1780. On that day John Hancock officially became governor and the first general court—legislature—met in Boston.

Massachusetts is today the only State in the Union still governed under its original constitution which has endured chiefly because of its broad provisions and flexible character.

There have been constitutional conventions since 1780—more than 70 amendments have been made to the Massachusetts constitution—but the general plan of Government it established is still in operation.

Taken as a whole, it may be confidently said that the history of no other community is more striking than our own commonwealth.

The great lessons it teaches us are confidence in the integrity of the people and their capacity for self government; confidence in religious principle, which is the safeguard of liberty.

Our State constitution was the first such document to establish the principle of the separation of powers of the various branches of Government. It contains assurance of the protection of inalienable rights.

The committee of 30, to whom was referred the work of preparing a plan and form of government, entrusted this task to a subcommittee consisting of James Bowdoin, John Adams and Samuel Adams; who in turn committed the responsible task to John Adams alone. His draft of the framework was substantially adopted by the subcommittee, and afterward, slightly altered by the full committee, was offered for consideration to the convention.

The results of the labors of the convention were chiefly as John Adams had blocked them out and it would appear by every rightful title he can be declared the father of our State constitution.

A Declaration of Rights precedes the framework of the constitution. The people of Massachusetts were peculiarly sensitive on this subject. It is to our distinct advantage that our ancestors deemed it of first importance to declare

certain fixed principles—certain natural rights—as necessary safeguards in a document which would guarantee lasting liberty. Other sections of this written instrument would almost appear as outworks—the Declaration of Rights is the citadel. The life of constitutional liberty is there. Good words are great things to a free people.

The framework of the Massachusetts constitution as it came from the hands of the committee of 30 underwent but few changes in the substance. The final accepted document attained the purpose of three distinctive and coordinate functions of government—balancing and checking each other. Confusion of legislative, executive and judicial functions which had existed in other governing documents in other lands were rejected.

During the 175 years which have elapsed the three branches of government of our great commonwealth and the people themselves have acted in good faith toward our constitution. Steadiness and intelligence have marked the relations within our State. These characteristics reflect honor upon those who so wisely framed this document.

The character of our commonwealth has been exemplary. There has been no abandoning or dropping below the criterion established by the founders.

Secure in its tradition of democracy, strengthened by its extraordinary cultural resources, enriched by its industries and the workers who man them, the commonwealth looks back with pride upon the events of the year 1780. We look forward with prayerful determination to a future in which democratic processes, as set forth so wisely in our constitution, continue to insure ever greater opportunities for its people.

The resolution was agreed to; a motion to reconsider was laid on the table.

THE LATE CORDELL HULL

The SPEAKER. The Chair at this time will recognize the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, divine providence has willed that the greatest champion of the cause of world peace of our generation be called to rest and enduring peace.

The news of the passing of Judge Cordell Hull came on Saturday last, just as the Geneva conference concluded its deliberations.

We are all fully aware of the news and greatly saddened by it—saddened to learn of the passing of this distinguished and eminent statesman of Tennessee.

As the Representative of the district where Judge Hull was born and lived and which he represented in Congress so long and ably and with such great distinction, it is my sad duty to formally announce to the Members of the House his passing at 9 o'clock, July 23, at the Naval Medical Center, at Bethesda, Md.

The passing of Judge Hull will be received with sadness in this body and in the Senate, where his devoted duty can never be surpassed—in his native State of Tennessee, the Nation, and throughout the free world.

Judge Hull was truly a man of national and international stature and we realize that in his passing a towering oak of our generation has fallen.

The silence which has overtaken this great and vital heart and voice for amity and peace will be felt wherever human dignity and liberty have true worth.

The life and career of Judge Hull can never be fully emulated, but it can serve as an inspiration to the youth of our country who possess ambition for a life of devoted and dedicated service to his fellow man. Judge Hull served successively as soldier, legislator, judge, Congressman, United States Senator, Secretary of State, and world diplomat.

Judge Hull was born on October 2, 1871, in then Overton but now Pickett County in the upper Cumberland section of Tennessee.

As a youth, Cordell Hull built through work a strong body which, in later years, he was able to draw upon as a great reserve of strength.

After graduating from Tennessee's famed Cumberland University School of Law, he entered upon a career of public service which took him to the greatest heights of achievement and world acclaim.

He was elected to the Tennessee Legislature—the general assembly of my State—before he was 21 years of age. After serving two terms as a State representative in Nashville, he was appointed circuit judge of Tennessee's fifth judicial circuit.

He was subsequently reelected judge and served on the bench for a period of 12 years.

In 1906 Cordell Hull was elected to Congress from the Fourth District of Tennessee. He served 24 years in Congress—22 in this body and 2 years in the Senate.

His service in the Senate was cut short because of his appointment as Secretary of State by President Franklin D. Roosevelt.

As Secretary of State, Judge Hull served from March 1933 to November 1944—in three administrations, and held this post longer than any other man in the Nation's history. He retired as Secretary of State because of declining health in the dark days of World War II.

The world knows that his accomplishments have been many and great.

Judge Hull was the author of the good-neighbor policy through which pan-American amity has grown and increased.

He devoted himself untiringly to the development of nonpartisanship in promotion of this Nation's foreign policy.

He was the author of the reciprocal trade agreements law, which bears his name—designed to promote the widest possible commerce and trade among nations of the world and to foster better understanding as a true deterrent to war.

His great work in the development of the United Nations as an organization for promoting understanding and cooperation rightfully brought to him recognition as the "father of the United Nations."

He contributed greatly to raising the standards of international morality and

conduct which is of utmost importance if nations are to live together in peace and friendship.

In 1945 Judge Hull was awarded the Nobel peace prize—among the many distinguished service awards granted to him during his lifetime.

Throughout his great career of public service and noted accomplishments, Judge Hull maintained always his great affection for and interest in his native Tennessee.

In turn the people of my State loved, esteemed, and revered Judge Hull as a fellow Tennessean.

Although a great destiny directed his life so that he could walk with kings, the essence of his nature was such that he never lost the common touch—and therein lies the ingredient which motivated and inspired the deep affection of his friends whose roots are embedded, as were his, in the hills of the Cumberland region of Tennessee.

In the passing of Cordell Hull, Tennessee, the Nation, and the free world have suffered a tremendous loss. I have lost a great and beloved friend whose counsel will be greatly missed.

Judge Hull's place in history is indelibly written. He has pointed the way—a course that if followed will bring for mankind an enduring peace—the achievement of which was the devoted purpose of the life of Cordell Hull.

I yield to my colleague, the dean of the Tennessee delegation [Mr. COOPER].

Mr. COOPER. Mr. Speaker, it is with very deep regret that I have heard that my warm friend and distinguished fellow Tennessean, the Honorable Cordell Hull, has passed away.

It was my privilege to serve for one term in the House of Representatives with Mr. Hull before he went to the Senate. I worked with him and enjoyed a very warm friendship with him for many years. I always helped to lead the fight for his reciprocal trade agreements program, which I think is one of the greatest measures ever enacted by Congress.

Mr. Hull was a man of the very highest character and integrity, very great ability, and demonstrated devotion to the public service. He stood out in bold relief as one of the greatest statesmen of the world. His record of most distinguished service and outstanding accomplishments will forever stand as a great inspiration to those who follow after him. I join with all the people of Tennessee as well as the Nation and the free people of the entire world in mourning his passing.

Mr. EVINS. Mr. Speaker, I yield to my colleague [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, on the roster reserved for the truly great statesmen of all ages will now be added the name of Cordell Hull.

In his youth this stalwart son of the Volunteer State looked unto the hills from whence he drew his strength. He grew and matured, mentally and morally, as tall and straight as the sturdy pines that crown the peaks of the Cumberland Mountains.

On the principles of reciprocal trade and the good neighbor policy he laid

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 27, 1955
For actions of July 26, 1955
84th-1st, No. 126

CONTENTS

Acreage allotments.....4	Foreign aid.....14	Personnel.....13,28
Appropriations 14,17,19,45	Forestry.....47,48	Postal service.....27
Auditing.....10	Hearings.....33	Prices, farm.....37
Bonding employees.....21	Housing.....17	REA.....10
CCC.....1,42	Immigration.....32	Reclamation....16,22,30,43
Claims.....19	Information.....41	Rentals.....11
Commodity exchanges...2,46	Irrigation.....23	Research.....17,29
Congressional authority 26	Labor, farm.....3	Reserve forces.....18
Conservation.....34,36	Lands, transfer.....12	Rice.....4
Contracts.....31	public.....20	Roads.....7,40,47
Dairy industry.....6,42	Loans, farm.....17	Security.....8
Disaster relief.....1	housing.....17	Surplus commodities.....1
Education.....15	Low-income farmers...17,24	Territories and
Electrification....9,25,43	Meat grading.....39	possessions.....35
Farm program.....6	Minerals.....20,23	Water compacts.....16,22
Federal aid.....15	Minimum wage.....31	Water pollution.....5
Flood control.....36	Onions.....46	Wheat.....44
Food.....29,38		

For Highlights, see page 7.

HOUSE

- 1. SURPLUS COMMODITIES.** The Agriculture Committee reported without amendment S. 2253, to reemphasize trade development as the primary purpose of Title I of Public Law 480 and to increase the authorization of sales from \$700 million to \$1.5 billion (H. Rept. 1426) (p. 10016).

The conferees on H. R. 2851, to make agricultural commodities owned by the CCC available to persons in need in areas of acute distress, agreed to file a conference report (the House conferees agreed to accept the Senate amendments) (p. D787). Senate conferees had been appointed earlier in the day (p. 9873).
- 2. COMMODITY EXCHANGES.** The Agriculture Committee reported without amendment S. 1051, to amend Section 8a (4) of the Commodity Exchange Act by authorizing increases in the fees for registration and certification (H. Rept. 1425) (p. 10016).
- 3. FARM LABOR.** The conferees on H. R. 3822, to extend the Mexican farm-labor program, agreed to file a conference report (the Senate conferees receded from the Senate amendment) (p. D787). Senate conferees had been appointed earlier in the day (p. 9873).

4. RICE. The Thompson, Tex., subcommittee of the Agriculture Committee approved for reporting to the full committee H. R. 7367, "to provide that the 1956 national acreage allotment on rice shall be established which is less than 85% of the final allotment established for the immediately preceding year" (p. D784).
5. WATER POLLUTION. The Public Works Committee reported with amendments S. 890, to extend and strengthen the Water Pollution Control Act (H. Rept. 1446) (p. 10016).
6. DAIRY PRODUCTS; FARM PROGRAM. Rep. Johnson criticized the Administration for its alleged failure to aid the dairy farmer in a period of continued price spreads (pp. 9997-10004).
7. ROADS. Commenced debate on H. R. 7474, the Federal-aid highway construction bill. Rep. Dondero offered a substitute amendment in the form of H. R. 7494, and subsequently Rep. Thompson, La., offered the provisions of H. R. 7542 as an amendment to the amendment of Rep. Dondero. The amendment of Rep. Thompson, La., was rejected and the amendment of Rep. Dondero was pending when the Committee of the Whole rose. (pp. 9945-90.)
8. GOVERNMENT SECURITY. Received the conference report on H. J. Res. 157, to establish a Commission on Government Security (H. Rept. 1407). (pp. 9941-2).
9. ELECTRIFICATION. Received a letter from the Chairman, Federal Power Commission, relative to the following publications: Typical Electric Bills, 1955, and Statistics of Electric Utilities in the United States, Publicly Owned, 1953; referred to the Interstate and Foreign Commerce Committee (p. 10015).
10. RURAL ELECTRIFICATION. Received a report from the Comptroller General on the audit of REA for the fiscal years 1953 and 1954; referred to the Government Operations Committee (p. 10016).
11. RENTALS. Received a supplemental report from the Budget Bureau on activities under Budget Bureau Circular A-45, regulating rental rates for Federal employee quarters, for the year prior to November 1, 1954; referred to the Appropriations Committee (p. 10016).
12. LAND TRANSFER. The Public Works Committee reported without amendment H. R. 6634, to provide for the conveyance of 1.8 acres of land within the Grapevine Dam and Reservoir project to the city of Grapevine, Tex. (H. Rept. 1421) (p. 10016).
13. PERSONNEL. The House Administration Committee reported without amendment H. R. 3084, amending certain provisions of the laws relating to the prevention of political activities, to make them inapplicable to State officers and employees (H. Rept. 1424) (p. 10016).
14. FOREIGN AID. Rep. Gary resolved to maintain the \$628 million decrease in funds of the Mutual Security Appropriation Act for 1956 when the conferees meet (pp. 9933-4).
15. EDUCATION. The Education and Labor Committee reported with amendments H. R. 7245, providing assistance for local educational agencies in areas affected by Federal activities (H. Rept. 1441) (p. 10016).

the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. SMITH of New Jersey, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 191) entitled "An act to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MORSE, Mr. BIBLE, and Mr. HRUSKA to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2851) entitled "An act to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOLLAND, Mr. ANDERSON, Mr. AIKEN, and Mr. WILLIAMS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3822) entitled "An act to amend title V of the Agricultural Act of 1949, as amended," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4778) entitled "An act to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. NEELY, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1093) entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BIBLE, Mr. GORE, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7000) entitled "An act to provide for strengthening of the Reserve Forces, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHN-

STON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 56-2.

CONSTITUTION WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S. Con. Res. 40) to designate the period from September 17 through September 23 as Constitution Week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is authorized and requested to issue a proclamation designating the 7-day period beginning September 17 and ending September 23, 1955, as Constitution Week, and inviting the people of the United States to observe such week in schools, churches, and other suitable places with appropriate ceremonies and activities.

The resolution was agreed to; and a motion to reconsider was laid on the table.

FOREIGN AID PROGRAM

(Mr. GARY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARY. Mr. Speaker, in the conference committee to which I have just been appointed, I shall do my very best to maintain the \$628 million cut in the mutual security appropriations bill recently voted by the House of Representatives.

I am distressed that the other body has restored over half a billion dollars of the funds previously cut from the bill by the House. I am certain that the mutual security program can be carried on adequately with \$2.6 billion of new money, and that the appropriation of \$3.2 billion as recommended by the other body, is unnecessary.

I have been a friend of the Marshall plan and other foreign aid programs since their inception following the end of World War II. Without these programs, Europe would certainly be Communist today. The Marshall plan, and its successors, have rebuilt European productive capacity, defense, and markets for American exports. I think these aid programs have been wonderfully successful. Because of this very success, it is now possible to reduce our expenditures for such aid.

I was a member of the House subcommittee which originally cut the Eisenhower administration's budget request \$628 million, after careful study of the facts. This year, our subcommittee did not recommend a single penny of non-military economic aid to the major

countries of Western Europe. In fact, the bill we reported included no non-military appropriations to Europe at all, except for some assistance the administration has requested for three critical points, West Berlin, Yugoslavia, and Spain. We did, however, make sure that sufficient military aid funds would be available.

A Democrat, I have cooperated in every way with this Republican administration when a clear need for foreign aid funds was shown. I have defended these programs on the floor of the House. My action for a cut this year is based solely upon my belief that the House bill represented sufficient funds to carry out the program properly.

When the administration presented its request for new foreign-aid money last month, it appeared there was a \$620 million balance of previously appropriated funds which had not even been obligated. Of this amount only \$200 million could be legally carried over into the new fiscal year which began July 1. The rest would revert to the Treasury for other appropriations. This was cause for rejoicing, not criticism, because it indicated that foreign aid needs last year were below expectations and new appropriations could therefore now be lessened.

However, the administration wished to obligate this \$420 million before the end of the fiscal year, contrary to provisions of the 1955 Appropriations Act. We were considering that request when on June 28, another \$312 million in unobligated funds was reported to our committee. To accommodate the administration, a hastily arranged meeting was held between officials of the administration and the ranking members of our subcommittee, and an agreement was reached to permit immediate obligation of the \$312 million, but not the \$420 million. The total of \$512 million clearly gave the administration sufficient room to deal with any emergency which might arise while the Congress was out of session. No justification for a new use for the unobligated \$420 million was presented by the administration.

Then on June 30, the last day of the fiscal year, the administration announced reservation of the \$420 million for common-use military items, completely contrary to the specific agreement not to obligate these unspent, unobligated, and unreserved funds, which otherwise would have returned to the Treasury.

Our subcommittee promptly cut \$420 million in new money from the reserved item in the bill, reported the administration's breach of faith to the full committee and the House, and the House supported the cut. The foreign-aid appropriations bill as passed by the House, was approximately \$900 million below the administration's original authorization request, and \$600 million below the budget request, because of an additional \$200 million in other well-justified cuts.

I strongly resent the methods used to reserve the \$420 million after the agreement with representatives of our committee, but aside from that fact I am thoroughly convinced that the amount

appropriated for the program by the House this year is entirely adequate for mutual security purposes for this fiscal year. That is the real point. Therefore, I shall do my best to hold the House out in the conference committee despite the strong pressures which undoubtedly will be exerted.

(Mr. PASSMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASSMAN. Mr. Speaker, I doubt if there is another Member of the Congress who understands the many complex problems of the foreign-aid program as the distinguished gentleman from Virginia [Mr. GARY].

Congressman GARY was chairman of the Foreign Aid Subcommittee on Appropriations for 4 years and ranking minority member for 4 years. He helped develop the program and it was the desire of the distinguished chairman of the Committee on Appropriations that Mr. GARY continue as chairman of the Foreign Operations Subcommittee on Appropriations. But inasmuch as beginning with this session of Congress it was made a permanent committee and the rules of the committee prohibit a member from being chairman of two subcommittees, Mr. GARY decided to remain as permanent chairman of the Treasury and Post Office Subcommittee on Appropriations and accept the ranking majority position on the Foreign Operations Subcommittee on Appropriations.

The House is very fortunate in having the distinguished gentleman from Virginia, Congressman VAUGHAN GARY, as a member of the conference that must, in the very near future, adjust the difference between the House and Senate versions of the foreign-aid appropriation for 1956 because he understands the bill and the full reasons for the reductions made by the Foreign Operations Subcommittee on Appropriations and supported by the full Committee on Appropriations and the House.

SPECIAL ORDERS GRANTED

Mr. DEANE asked and was given permission to address the House for 15 minutes on Thursday next, at the conclusion of the legislative program and any special orders heretofore entered.

Mr. PATMAN asked and was given permission to address the House for 30 minutes today, following the legislative program and any special orders heretofore entered; to revise and extend his remarks and to include extraneous matter; on the subject of The Great Conspiracy of 1933: A Study in Short Memories by Paul F. Boller, Jr., which relates to the recognition of Soviet Russia and brings in the important part of the late Secretary Cordell Hull in connection therewith.

CORRECTION OF ROLL CALL

Mr. PATMAN. Mr. Speaker, on roll-call No. 129, I am recorded as having changed my vote from "nay" to "yea."

This is incorrect, as I voted "yea." I ask unanimous consent that the permanent RECORD and the Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROCEEDINGS AGAINST JOHN T. GOJACK

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I present a privileged report and ask for its immediate consideration.

The Clerk read the report, as follows:

PROCEEDINGS AGAINST JOHN T. GOJACK

Mr. WALTER, from the Committee on Un-American Activities, submitted the following report:

CITING JOHN T. GOJACK

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 84th Congress, caused to be issued a subpoena to John T. Gojack, 1835 South Calhoun Street, Fort Wayne, Ind. The said subpoena directed John T. Gojack to be and appear before the said Committee on Un-American Activities or a duly authorized subcommittee thereof, of which the Honorable FRANCIS E. WALTER is chairman, on February 28, 1955, at the hour of 10 a. m., in room 225-A, Old House Office Building, Washington, D. C., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpoena served upon the said John T. Gojack is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, South Bend, Ind.:

"You are hereby commanded to summon John T. Gojack to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable FRANCIS E. WALTER is chairman, in their chamber in the city of Washington, room 225-A, Old House Office Building, on Monday, February 28, 1955, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 19th day of February 1955.

"Attest:

"FRANCIS E. WALTER,
Chairman.

"[SEAL] "RALPH R. ROBERTS,
"Clerk, House of Representatives."

The said subpoena was duly served as appears by the return made thereon by Roy M. Amos, United States marshal, by James R. Settles, deputy, who was duly authorized to serve the said subpoena. The return of the service by the said Roy M. Amos, United States marshal, by James R. Settles, deputy, being endorsed thereon, is set forth in words and figures as follows:

"Subpoena for John T. Gojack, before the Committee on Un-American Activities, served February 23, 1955, by personal service

of a copy of this writ on John T. Gojack, at Fort Wayne, Ind.

"ROY M. AMOS,
"United States Marshal.
"By JAMES R. SETTLES,
"Deputy."

The said John T. Gojack, pursuant to said subpoena and in compliance therewith, appeared before the said committee on February 28, 1955, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress and under House Resolution 5 of the 84th Congress. The said John T. Gojack, having appeared as a witness and having been asked the questions, namely:

"Were you ever a member of the Communist Party?

"Were you then a member of the Communist Party in 1948, at any time during the year 1948?

"I want to ask you one question: Are you now a member of the Communist Party?

"You have left us under the impression at this point that by reading the newspapers you knew that Johnson was chairman of the Communist Party of Indiana and I am asking you if that is the only way you knew Johnson.

"Are you acquainted with Henry Aron, A-r-o-n?

"Mr. Gojack, did Mr. Elmer Johnson or Mr. Aron ever appear and address a group of people when you were present?

"May I ask the witness, do you know whether or not Russell Nixon is a member of the Communist Party?

"Did you take active part in the peace pilgrimage to Washington which was organized by one of the 'front' organizations known as the American Peace Crusade?

"What method was used to get you as an original sponsor? [That is, original sponsor of the American Peace Crusade?]" which questions were pertinent to the subject under inquiry, refused to answer said questions and, as a result of said John T. Gojack's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpoena served upon the said John T. Gojack.

The record of the proceedings before the committee on February 28, 1955, during which John T. Gojack refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
"HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
"ON UN-AMERICAN ACTIVITIES,
"Washington, D. C.,
"Monday, February 28, 1955.
"PUBLIC HEARING

"The subcommittee of the Committee on Un-American Activities met pursuant to call at 10:20 a. m., in the caucus room, Old House Office Building, Washington, D. C., Hon. MORGAN M. MOULDER presiding.

"Mr. MOULDER. The committee will be in order.

"This subcommittee was appointed pursuant to the rules of the House as ordered by FRANCIS E. WALTER, chairman of the full committee, and it is composed of three members—the Honorable CLYDE DOYLE, of California, on my right, the Honorable GORDON H. SCHERER, of Ohio, and myself as chairman of the subcommittee. Mr. SCHERER, of Ohio, is absent and will be present within the next few minutes.

"After the testimony of several witnesses, John Thomas Gojack was called as a witness.

¹ Words inside brackets added for clarity.

15. **MARKETING.** The Agriculture Committee reported with amendment S. 1757, providing penalties for violations of grade marking standards of products in interstate commerce under the Agricultural Marketing Act (H. Rept. 1468) (p. 10133).
16. **EXTENSION WORK.** The Agriculture Committee reported with amendment S. 2098, authorizing appropriations to be used for agricultural extension work for special circumstances in regard to low-income farmers (H. Rept. 1409) (p. 10134).
17. **RICE.** The Agriculture Committee reported with amendment H. R. 7367, providing that the 1956 national acreage allotment on rice shall be established which is less than 85% of the final allotment established for the immediately preceding year (H. Rept. 1462) (p. 10133).
18. **FARM LABOR.** Received the conference report on H. R. 3822, which provides a $3\frac{1}{2}$ year extension (until June 30, 1959) of the Mexican farm-labor program, relieves employers of double liability for the cost of returning a worker to Mexico where the employer has paid once for such movement but the Mexican does not return and is later apprehended, and specifies that the Secretary of Labor is to obtain information on the availability of domestic workers, prevailing wage rates, and labor shortages in the area, and then post publicly the number of workers to be imported (H. Rept. 1499) (pp. 10090-1).
19. **COMMODITY CREDIT CORPORATION.** Received the conference report on H. R. 2851, authorizing the distribution of agricultural commodities owned by the CCC to persons in need in areas of acute distress (H. Rept. 1450) (p. 10091). The bill authorizes the Secretary of Agriculture, until June 30, 1957, upon request of a State Governor, to distribute to a central point in the State concerned, wheat flour and corn meal owned by the CCC using Sec. 32 funds limited to \$15 million a year.
20. **WATER RESOURCES.** Received the conference report on H. R. 3990, to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (H. Rept. 1447) (p. 10089).
21. **ROADS.** Rejected, by a vote of 123 to 292, H. R. 7474, the Federal-aid highway construction bill (pp. 10091-10122). The House had previously rejected a motion to recommit the bill by a vote of 193 to 221. The Dondero substitute, to enact the President's road program, was rejected by a vote of 178 to 184. During the debate on the bill, Rep. Gavin criticized the farm leaders of the House on their concept of "fiscal responsibility" in regard to farm subsidies and price supports. Rep. Jones, Ala., offered an amendment which was accepted, preventing the use of highway construction funds to reimburse utilities for relocation of their lines when in conflict with the construction program; and during debate on this amendment there was discussion of the extent to which it would have benefited REA cooperatives.
22. **FOREIGN AID.** Received the conference report on H. R. 7224, the mutual security appropriation bill (H. Rept. 1501) (pp. 10122-3).
23. **DEFENSE PRODUCTION.** The Rules Committee reported a resolution for the consideration of H. R. 7470, to amend the Defense Production Act (p. 10124).
24. **FARM-CITY WEEK.** A subcommittee of the Judiciary Committee ordered reported to the full committee H. J. Res. 317, designating the last week in October of each year as National Farm-City Week (p. D796).

25. **SURPLUS GRAINS.** Rep. Reuss criticized the Interior Department for allegedly "winking at duck-baiting violations," and suggested that deteriorated surplus grains owned by the CCC should be used for wildlife feeding purposes (pp. 10128-9).
26. **PERSONNEL.** The Post Office and Civil Service Committee reported with amendments the following bills: H. R. 7618, to amend Sec. 8 of the Civil Service Retirement Act (H. Rept. 1473); and S. 1849, to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment (H. Rept. 1498) (pp. 10133-4).
- The Post Office and Civil Service Committee ordered reported H. R. 3255, to amend the Classification Act of 1949, to prevent loss of salary after an employee has held a position for more than 2 years (p. D796).
- The Post Office and Civil Service Committee announced the appointment of the following investigative subcommittees under authority of H. Res. 304: Subcommittee on Manpower Utilization and Departmental Personnel Management (Rep. Davis, Ga., Chairman), and Subcommittee on Civil Service Commission and Personnel Programs (Rep. Morrison, Chairman) (p. D796).
- A subcommittee of the Judiciary Committee ordered reported to the full committee claims of Federal employees for the recovery of fees, salaries, or compensation (p. D796).
27. **PROPERTY.** The Government Operations Committee reported without amendment H.R. 6182, to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments (H. Rept. 1453) (p. 10132).
- The Government Operations Committee reported with amendment H. R. 7227, to authorize the disposal of surplus property for civil defense purposes, and to provide that certain Federal surplus property be disposed of to State and local civil defense organizations which are established by or pursuant to State law (H. Rept. 1455) (p. 10133).
28. **MINIMUM WAGE.** The conferees on S. 2168, to amend the Fair Labor Standards Act of 1938 so as to provide for an increase to \$1 of the minimum wage provisions, agreed to file a conference report (p. D797).
29. **RECLAMATION; ELECTRIFICATION.** The Public Works Committee reported with amendment H. R. 7195, to provide for the reconveyance of lands in certain reservoir projects in Texas to the former owners (H. Rept. 1461) (p. 10133).
- The Interior and Insular Affairs Committee reported without amendment H.R. 1603, to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects (H. Rept. 1502) (p. 10134).
- The Aspinall subcommittee of the Interior and Insular Affairs Committee approved for reporting to the full committee H. R. 4719, to authorize construction and maintenance of the Hells Canyon Dam (p. D795).
30. **MINERALS.** The Interior and Insular Affairs Committee reported with amendments H. R. 6994, to provide for entry and location, on discovery of a valuable source material upon public lands of the U. S. classified as or known to be valuable for coal (H. Rept. 1478) (p. 10133).
31. **LEGISLATIVE PROGRAM.** The Majority Leader scheduled consideration of H. R. 6455, the natural gas bill, for July 28. When questioned about House adjournment, the Majority Leader replied, "I would say we can reasonably expect to do so (adjourn) by next Tuesday or Wednesday. That would be my best guess." (p. 10124.)

MUTUAL SECURITY APPROPRIATION ACT, 1956

JULY 27, 1955.—Ordered to be printed

MR. PASSMAN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 7224]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) making appropriations for the Mutual Security for the fiscal year ending June 30, 1956, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 10, 16, 19, 22, and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 11, 13, 17, 18, 20, 25, and 26, and agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$800,000,000; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$127,500,000; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,200,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$58,366,750; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 7, 8, 21, and 24.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
JOHN J. ROONEY,
CLARENCE CANNON,
A. M. FERNANDEZ,
HENDERSON LANHAM,
WILLIAM H. NATCHER,
WINFIELD K. DENTON,
JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
T. MILLET HAND,

Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
LISTER HILL,
EARLE C. CLEMENTS,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
WILLIAM F. KNOWLAND,
EVERETT M. DIRKSEN (except as
to amendments Nos. 1, 2, and 3),

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

MUTUAL SECURITY

Amendments Nos. 1, 2, and 3—*Military assistance*: Eliminate Senate language making funds available until expended, appropriate \$705,000,000 as proposed by the House instead of \$1,125,000,000 as proposed by the Senate, and continue available not to exceed \$33,900,000 of unobligated and unreserved funds as proposed by the House.

The situation in Asia makes it not only desirable but imperative that the United States provide assistance which will enable the National Government of the Republic of China to establish and train reserve forces on Formosa in line with testimony presented to both committees. This project should be undertaken at once, and it is the sense of the conferees that the necessary funds for this purpose be taken from the appropriations made by this act.

Amendment No. 4—*Direct forces support*: Appropriates an additional \$12,200,000 for Formosa and Thailand as proposed by the Senate.

Amendment No. 5—*Defense support, Europe*: Appropriates \$85,500,000 as proposed by the Senate instead of \$70,000,000 as proposed by the House.

Amendment No. 6—*Defense support, Europe*: Reported in disagreement.

Amendments Nos. 7 and 8—*Defense support, Near East and Africa*: Reported in disagreement.

Amendments Nos. 9 and 10—*Defense support, Asia*: Appropriate \$800,000,000 instead of \$775,000,000 as proposed by the House and \$827,800,000 as proposed by the Senate, and continue available not to exceed \$25,000,000 of unobligated balances as proposed by the House.

Amendment No. 11—*Development assistance, Asia*: Appropriates \$51,000,000 as proposed by the Senate instead of \$61,000,000 as proposed by the House.

Amendment No. 12—*Technical cooperation, general authorization*: Appropriates \$127,500,000 instead of \$125,000,000 as proposed by the House and \$130,000,000 as proposed by the Senate.

Amendment No. 13—*Intergovernmental Committee for European Migration*: Appropriates \$12,500,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendment No. 14—*United Nations Refugee Fund*: Appropriates \$1,200,000 instead of \$1,000,000 as proposed by the House and \$1,400,000 as proposed by the Senate.

Amendments Nos. 15 and 16—*United Nations Relief and Works Agency*: Appropriate \$58,366,750 instead of \$56,366,750 as proposed by the House and \$60,366,750 as proposed by the Senate, and continue available not to exceed \$3,633,250 of unobligated balances as proposed by the House.

Amendment No. 17—*Ocean freight charges, United States voluntary relief agencies*: Appropriates \$2,000,000 as proposed by the Senate instead of \$1,500,000 as proposed by the House.

Amendment No. 18—*Ocean freight charges, surplus agricultural commodities*: Appropriates \$13,000,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendments Nos. 19 and 20—*President's fund for Asian economic development*: Appropriate \$100,000,000 as proposed by the House instead of \$150,000,000 as proposed by the Senate, and continue funds available through June 30, 1958, as proposed by the Senate.

Amendment No. 21: Reported in disagreement.

Amendment No. 22—*General provisions, section 105*: Eliminates language proposed by the Senate. The State Department has a duty in all cases to protect all the rights of Americans under treaties; and, particularly, it is the sense of the conferees that every effort must be made to assure that treaty provisions are fully carried out by every nation which is receiving assistance under this act.

Amendment No. 23—*General provisions, section 106*: Eliminates language proposed by the Senate.

Amendment No. 24—*General provisions, section 108*: Reported in disagreement.

Amendments Nos. 25 and 26: Change section numbers.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
JOHN J. ROONEY,
CLARENCE CANNON,
A. M. FERNÁNDEZ,
HENDERSON LANHAM,
WILLIAM H. NATCHER,
WINFIELD K. DENTON,
JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
T. MILLET HAND,

Managers on the Part of the House.

Berry
Betts
Bolton,
Frances P.
Bolton,
Oliver P.
Bosch
Bow
Bray
Brooks, La.
Brown, Ohio
Brownson
Broyhill
Budge
Burdick
Bush
Canfield
Carrigg
Cederberg
Chase
Chenoweth
Church
Clevenger
Cole
Coon
Corbett
Coudert
Cramer
Cretella
Cunningham
Curtis, Mass.
Dague
Dawson, Utah
Derounian
Devereux
Dixon
Dodd
Dolliver
Dondero
Dorn, N. Y.
Ellsworth
Fenton
Fino
Fjare
Ford
Frelinghuysen
Fulton
Gamble
Gavin
George
Gross
Gubser
Hale
Halleck
Hand
Harden
Harrison, Nebr.
Harvey
Henderson
Heseltan
Hess
Hiestand
Hill
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Holt
Hope
Horan
Hosmer
Hyde
Jackson
James
Jenkins
Jensen
Johansen
Johnson, Calif.
Jonas
Judd
Kean
Kearns
Keating
King, Pa.
Knox
Laird
Lane
Latham
LeCompte
Lipscomb
Lovre
McConnell
McCulloch
McDonough
McGregor
McIntire
Macdonald
Mack, Wash.
Mailliard
Martin
Mason
Meader
Merrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Minshall
Morano
Moulder
Nelson
Nicholson
Norblad
O'Hara, Minn.
O'Konski
Osmers
Ostertag
Patterson
Pelly
Phillips
Pillion
Poff
Prouty
Ray
Reed, Ill.
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robison, Ky.
Rogers, Colo.
Rogers, Mass.
Sadlak
St. George
Saylor
Schenck
Scherer
Schwengel
Scott
Scrivner
Scudder
Seely-Brown
Sheehan
Short
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Kans.
Smith, Wis.
Springer
Taber
Talle
Taylor
Teague, Calif.
Thompson,
Mich.
Thomson, Wyo.
Tollefson
Utt
Van Pelt
Van Zandt
Velde
Vorys
Vursell
Wainwright
Weaver
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Younger

NAYS—221

Abblitt
Abernethy
Addonizio
Albert
Alexander
Alger
Andrews
Ashley
Ashmore
Aspinall
Bailey
Barden
Barrett
Bass, Tenn.
Bell
Bennett, Fla.
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Bowler
Boyle
Brooks, Tex.
Brown, Ga.
Buckley
Burleson
Burnside
Byrd
Byrne, Pa.
Byrnes, Wis.
Cannon
Carlyle
Carnahan
Celler
Chatham
Chelf
Christopher
Chudoff
Clark
Colmer
Cooley
Cooper
Crumpacker
Curtis, Mo.
Davidson
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Deane
Delaney
Dempsey
Denton
Dies
Diggs
Dollinger
Donohue
Donovan
Dorn, S. C.
Dowdy
Doyle
Durham
Edmondson
Elliott
Engle
Evins
Fallon
Fascell
Feighan
Fernandez
Fine
Fisher
Flood
Flynt
Fogarty
Forand
Forrester
Fountain
Frazier
Friedel
Garmatz
Gary
Gathings
Gentry
Gordon
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Gregory
Griffiths
Hagen
Haley
Harris
Harrison, Va.
Hays, Ark.
Hays, Ohio
Hayworth
Hébert
Herlong
Hollifield
Holtzman
Huddleston
Hull
Ikard
Jarman
Jennings
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karsten
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
Kilgore
King, Calif.
Kirwan
Kluczynski
Knutson
Landrum
Lanham
Lankford
Lesinski
Long
McCarthy

McCormack
McDowell
McMillan
McVey
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Matthews
Metcalf
Miller, Calif.
Mills
Mollohan
Morgan
Morrison
Moss
Multer
Murray, Ill.
Murray, Tenn.
Natcher
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Neill
Passman
Patman
Pfost
Philbin
Plicher
Poage
Polk
Powell
Preston
Price
Priest
Quigley
Rabaut
Rains
Reuss
Rhodes, Pa.
Richards
Riley
Roberts
Robeson, Va.
Rodino
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Selden
Sheppard
Shuford
Sieminski
Sikes
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Sullivan
Teague, Tex.
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Tumulty
Udall
Vanik
Vinson
Walter
Watts
Whitten
Wickersham
Wier
Williams, Miss.
Williams, N. J.
Willis
Winstead
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—20

Anfuso
Boykin
Buchanan
Chiperfield
Dingell
Eberharter
Gwinn
Hardy
Hillings
Kearney
Kilburn
Krueger
Mumma
Perkins
Radwan
Reece, Tenn.
Reed, N. Y.
Rivers
Shelley
Thompson, N. J.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Chiperfield for, with Mr. Anfuso against.

Mr. Hillings for, with Mr. Dingell against.

Mr. Reece of Tennessee for, with Mr. Eberharter against.

Mr. Krueger for, with Mr. Shelley against.

Mr. Kearney for, with Mr. Boykin against.

Mr. Radwan for, with Mr. Rivers against.

Mr. Gwinn for, with Mr. Thompson of New Jersey against.

Mr. Kilburn for, with Mrs. Buchanan against.

Until further notice:

Mr. Hardy with Mr. Reed of New York.

Mr. BOWLER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 123, nays 292, not voting 19, as follows:

[Roll No. 133]

YEAS—123

Addonizio
Albert
Alger
Allen, Calif.
Ashley
Bailey
Bass, N. H.
Baumhart
Bennett, Fla.
Bennett, Mich.
Blatnik
Boggs
Bolling
Bolton,
Oliver P.
Frances P.
Bolton,
Boyle
Brown, Ohio
Buckley
Burnside
Cannon
Carnahan
Celler
Christopher
Clark
Coon
Cooper
Davidson
Delaney
Dempsey
Diggs
Dixon
Dollinger
Dondero
Donovan
Doyle
Elliott
Evins
Fallon
Fascell
Fernandez
Fine
Forand
Frelinghuysen
Gentry
Gordon
Gray
Gregory
Griffiths
Hale
Hays, Ark.
Hays, Ohio
Hayworth
Hébert
Holmes
Holtzman
Hull
Ikard
Jennings
Johnson, Wis.
Jones, Mo.
Karsten
Kean
Kelly, N. Y.
Keogh

Kilday
Kling, Calif.
Klein
Kluczynski
Lesinski
McCarthy
McCormack
McCulloch
McGregor
Machrowicz
Mack, Wash.
Mailliard
Matthews
Metcalf
Miller, Calif.
Mills
Minshall
Moss
Multer
Murray, Ill.
Norblad
O'Brien, Ill.
O'Neill
Patman
Pfost
Polk
Powell
Price
Priest
Prouty
Rabaut
Reuss
Rodino
Rooney
Schenck
Scherer
Scudder
Sheppard
Short
Sieminski

NAYS—292

Abblitt
Abernethy
Adair
Alexander
Allen, Ill.
Andersen,
H. Carl
Andresen,
August H.
Andrews
Arends
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barden
Barrett
Bass, Tenn.
Bates
Beamer
Becker
Belcher
Bell
Bentley
Berry
Betts
Blitch
Boland
Bonner
Bosch
Bow
Bowler
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brownson
Broyhill
Budge
Burdick
Burleson
Bush
Byrd
Byrne, Pa.
Byrnes, Wis.
Canfield
Carlyle
Carrigg
Cederberg
Chase
Chatham
Chelf
Chenoweth
Chudoff
Church
Clevenger
Cole
Colmer
Cooley
Corbett
Coudert
Cramer
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Deane
Delaney
Dempsey
Denton
Dies
Diggs
Dollinger
Donohue
Donovan
Dorn, S. C.
Dowdy
Doyle
Durham
Edmondson
Elliott
Engle
Evins
Fallon
Fascell
Feighan
Fernandez
Fine
Fisher
Flood
Flynt
Fogarty
Forand
Forrester
Fountain
Frazier
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gavin
George
Granahan
Grant
Green, Oreg.
Green, Pa.
Gross
Gubser
Hagen
Haley
Halleck
Hand
Harden
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Henderson
Herlong
Heseltan
Hess
Hiestand
Hill
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Hollifield
Holt
Hope
Horan
Hosmer
Huddleston
Hyde
Jackson
James
Jarman
Jenkins
Jensen
Johansen
Johnson, Calif.
Jonas
Jones, Ala.
Jones, N. C.
Judd
Kearns
Keating
Kee
Kelley, Pa.
Kilgore
King, Pa.
Kirwan
Kluczynski
Knutson
Landrum
Lanham
Lankford
Lesinski
Long
McCarthy
Landrum
Lane
Lanham
Lankford
Latham
LeCompte
Lipscomb
Long
Lovre
McConnell
McDonough
McDowell
McIntire
McMillan
McVey
Macdonald
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Martin
Mason
Meader
Merrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mollohan
Morano
Morgan
Morrison
Moulder
Murray, Tenn.
Natcher
Nelson
Nicholson
Norrell
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
Osmers
Ostertag
Passman
Patterson
Pelly
Philbin
Phillips
Plicher
Pillion
Poff
Preston
Quigley
Rains
Ray
Reed, Ill.
Rees, Kans.
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Roberts
Robeson, Va.
Robison, Ky.
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Roosevelt
Rutherford
Sadlak
St. George
Saylor
Schwengel
Scott
Scrivner
Seely-Brown
Selden
Sheehan

Shuford	Thompson, La.	Whitten
Sikes	Thompson, Mich.	Wickersham
Siler	Thomson, Wyo.	Wildnall
Simpson, Ill.	Tuck	Wier
Simpson, Pa.	Utt	Wigglesworth
Smith, Kans.	Van Pelt	Williams, Miss.
Smith, Miss.	Van Zandt	Williams, N. Y.
Smith, Va.	Velde	Wilson, Calif.
Smith, Wis.	Vinson	Wilson, Ind.
Spence	Vorsys	Winstead
Springer	Vursell	Withrow
Staggers	Walter	Wolcott
Sullivan	Watts	Wolverton
Taber	Weaver	Wright
Talle	Westland	Younger
Taylor	Wharton	
Teague, Calif.		

NOT VOTING—19

Anfuso	Hardy	Radwan
Boykin	Hillings	Reece, Tenn.
Buchanan	Kearney	Reed, N. Y.
Chiperfield	Kilburn	Rivers
Dingell	Krueger	Shelley
Eberharter	Mumma	
Gwinn	Perkins	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dingell for, with Mr. Boykin against.
Mr. Anfuso for, with Mr. Eberharter against.

Until further notice:

Mr. Rivers with Mr. Chiperfield.
Mr. Shelley with Mr. Hillings.
Mr. Hardy with Mr. Radwan.
Mrs. Buchanan with Mr. Reece of Tennessee.

Mrs. GREEN of Oregon, Mr. BROOKS of Louisiana and Mr. HYDE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two houses on the amendments of the Senate to a bill and a joint resolution of the House of the following titles:

H. R. 3822. An act to amend title V of the Agricultural Act of 1949, as amended; and

H. J. Res. 157. Joint resolution to establish a Commission on Government Security.

MUTUAL SECURITY APPROPRIATION BILL, 1956

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 7224, the mutual security appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT NO. 1501)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) "making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes," having met,

after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 10, 16, 19, 22 and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 11, 13, 17, 18, 20, 25 and 26, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$800,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$127,500,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,200,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$58,366,750"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 7, 8, 21 and 24.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
JOHN J. ROONEY,
CLARENCE CANNON,
A. M. FERNANDEZ,
HENDERSON LANHAM,
WILLIAM H. NATCHER,
WINFIELD K. DENTON,
JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
T. MILLET HAND,

Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
LISTER HILL,
EARLE C. CLEMENTS,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
WILLIAM F. KNOWLAND,
EVERETT M. DIRKSEN
(except as to amendments Nos. 1, 2, and 3),

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

MUTUAL SECURITY

Amendments Nos. 1, 2, and 3—Military Assistance: Eliminate Senate language making funds available until expended, appropriate \$705,000,000 as proposed by the House instead of \$1,125,000,000 as proposed by the Senate, and continue available not to exceed \$33,900,000 of unobligated and unreserved funds as proposed by the House.

The situation in Asia makes it not only desirable but imperative that the United States provide assistance which will enable the National Government of the Republic of China to establish and train reserve forces on Formosa in line with testimony presented to both committees. This project should be undertaken at once, and it is the sense of the conferees that the necessary funds for this purpose be taken from the appropriations made by this Act.

Amendment No. 4—Direct forces support: Appropriates an additional \$12,200,000 for Formosa and Thailand as proposed by the Senate.

Amendment No. 5—Defense support, Europe: Appropriates \$85,500,000 as proposed by the Senate instead of \$70,000,000 as proposed by the House.

Amendment No. 6—Defense support, Europe: Reported in disagreement.

Amendments Nos. 7 and 8—Defense support, Near East and Africa: Reported in disagreement.

Amendments Nos. 9 and 10—Defense support, Asia: Appropriate \$800,000,000 instead of \$775,000,000 as proposed by the House and \$827,800,000 as proposed by the Senate, and continue available not to exceed \$25,000,000 of unobligated balances as proposed by the House.

Amendment No. 11—Development assistance, Asia: Appropriates \$51,000,000 as proposed by the Senate instead of \$61,000,000 as proposed by the House.

Amendment No. 12—Technical cooperation, general authorization: Appropriates \$127,500,000 instead of \$125,000,000 as proposed by the House and \$130,000,000 as proposed by the Senate.

Amendment No. 13—Intergovernmental Committee for European Migration: Appropriates \$12,500,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendment No. 14—United Nations' refugee fund: Appropriates \$1,200,000 instead of \$1,000,000 as proposed by the House and \$1,400,000 as proposed by the Senate.

Amendments Nos. 15 and 16—United Nations Relief and Works Agency: Appropriate \$58,366,750 instead of \$56,366,750 as proposed by the House and \$60,366,750 as proposed by the Senate, and continue available not to exceed \$3,633,250 of unobligated balances as proposed by the House.

Amendment No. 17—Ocean freight charges, United States voluntary relief agencies: Appropriates \$2,000,000 as proposed by the Senate instead of \$1,500,000 as proposed by the House.

Amendment No. 18—Ocean freight charges, surplus agricultural commodities: Appropriates \$13,000,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendments Nos. 19 and 20—President's fund for Asian Economic Development: Appropriate \$100,000,000 as proposed by the House instead of \$150,000,000 as proposed by the Senate, and continue funds available through June 30, 1958 as proposed by the Senate.

Amendment No. 21: Reported in disagreement.

Amendment No. 22—General provisions, section 105: Eliminates language proposed by the Senate. The State Department has a duty in all cases to protect all the rights of Americans under treaties; and particularly, it is the sense of the conferees that every effort must be made to assure that treaty provisions are fully carried out by every nation which is receiving assistance under this act.

Amendment No. 23—General provisions, section 106: Eliminates language proposed by the Senate.

Amendment No. 24—General provisions, section 108: Reported in disagreement.

Amendments Nos. 25 and 26: Change section numbers.

OTTO E. PASSMAN,
J. VAUGHAN GARY,
JOHN J. ROONEY,
CLARENCE CANNON,
A. M. FERNANDEZ,
HENDERSON LANHAM,
WILLIAM H. NATCHER,
WINFIELD K. DENTON,
JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
T. MILLET HAND,

Managers on the Part of the House.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill H. R. 6382, the Foreign Claims Settlement Commission bill, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT. NO. 1475)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "the effective date of this title"; and the Senate agree to the same.

JAMES P. RICHARDS,
CLEMENT J. ZABLOCKI,
THOMAS J. DODD,
JOHN M. VORYS,
FRANCES P. BOLTON,

Managers on the Part of the House.

JOHN J. SPARKMAN,
HUBERT H. HUMPHREY,
MIKE MANSFIELD,
H. ALEXANDER SMITH,
BOURKE B. HICKENLOOPER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

There are six Senate amendments to the House bill which were in conference. The managers on the part of the House receded in five instances and the Senate in one.

The bill passed by the Senate, except for these six amendments, incorporates the language of the bill passed by the House. It was reported by the Committee on Foreign Affairs after extended hearings and substantial rewriting by the committee. It was then passed by the House after further amendment. The Senate, by accepting the House bill except for the six amendments in conference, in effect has given recognition to the position of the House on most controversial issues.

Amendment No. 1: This amendment restricts the class of individuals eligible to receive awards for war damage claims against Bulgaria, Hungary, and Rumania. Under general principles of international law a claim against a foreign government must be continuously owned by a national of the claimant state from the time the claim arose until it is presented. The House bill provided for an exception from this rule in cases where the person who suffered the loss was not a national of the United States, but (1) had declared his intention to become an American citizen before the armistice; (2) became a citizen by September 15, 1947, and (3) resided in the United States permanently from the date of the armistice to the date of the peace treaty. The Senate amendment struck out this provision of the House bill, thereby applying the general rule limiting claimants to nationals of the United States. The House recedes.

Amendment No. 2: This amendment broadens the class of expropriation claims compensable from the Bulgarian, Hungarian, and Rumanian claims funds. The House bill authorizes compensation only if the taking occurred before September 15, 1947. The Senate amendment authorizes compensation for any taking occurring before the effective date of the bill. The managers on the part of the House in accepting the more inclusive provision of the Senate bill recognize that United States citizens are entitled to the full support of their Government in pressing their claims against foreign governments, not only in the case of claims for war damage but also in the case of nationalization claims. The House recedes with a technical amendment which changes "Act" to "Title."

Amendment No. 3: This amendment rewrites the provision dealing with contract claims (mostly bond claims) against Bulgaria, Hungary, and Rumania, in order to make it clear that the obligations on which such claims are based must be payable in currency of the United States, and that such claims must have arisen in favor of nationals of the United States. The House recedes in the belief that the amendment is fully consistent with and serves to clarify the House bill.

Amendment No. 4: This amendment relates to speculation in claims covered by the bill. The House bill provides that any award under the bill based on a transferred claim shall not exceed the consideration last paid for the claim before January 1, 1953. Any sale after that date would not affect the amount of the claim, under the House bill. The Senate amendment retains the limit provided for in the House bill, and provides also that for claims sold at a price lower than this limit after January 1, 1953, and before presentation of the claim to the Commission, the award cannot exceed the lower price.

The managers on the part of the House accept the Senate amendment imposing a more precise restriction on awards to persons who purchased claims, which is entirely consistent with the provision in the House bill.

Amendment No. 5: This amendment requires that there be deducted from awards made to claimants the amount of any re-

duction in Federal or State income taxes resulting from property losses for which such award is made. The Senate recedes on this amendment but the committee of conference desires to make clear that this action was taken on the basis of their understanding that there will be no windfalls to claimants receiving awards who had previously written off losses for tax purposes. The committee of conference was impressed by the statement of the Treasury representatives that retention of this provision in the bill would substantially delay the final settlement of claims because of administrative problems which would result.

The position of the Treasury on these points, as stated in letters to the chairmen of the Committees on Foreign Relations and Foreign Affairs from Acting Secretary of the Treasury, David W. Kendall, dated July 26, 1955, is as follows:

"The Internal Revenue Code makes provision for recoupment of any reduction in Federal taxes which resulted from the allowance in prior years of a deduction on account of the destruction or seizure of property for which an award is made. The payment of an award to a taxpayer who has taken a deduction in prior years does not, therefore, constitute a windfall.

"The Treasury Department believes that the language added by the Senate will almost certainly make for delays in the payment of awards. Since the language is not needed to prevent tax windfalls, and in fact would affect what amounts to a second recoupment, the desirability of eliminating it is strongly suggested."

Amendment No. 6: This amendment applies to minority stockholders in corporations the same eligibility requirement as to citizenship as is provided in the language deleted by amendment No. 1. The managers on the part of the House believe that the considerations determining their action on amendment No. 1 apply equally in this case. The House recedes.

JAMES P. RICHARDS,
CLEMENT J. ZABLOCKI,
THOMAS J. DODD,
JOHN M. VORYS,
FRANCES P. BOLTON,

Managers on the Part of the House.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file reports on the following bills: H. R. 3653, H. R. 4376, H. R. 4581, H. R. 5249, H. R. 6122, H. R. 6595, H. R. 7012, H. R. 7054, H. R. 7095, and H. R. 7364.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONSTRUCTION OF SURVEYING SHIPS FOR COAST AND GEODETIC SURVEY

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 847) to authorize construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the bill?

Mr. BONNER. Mr. Speaker, these two ships are to be built for the Coast and Geodetic Survey. The Coast and Geodetic Survey is now operating with 5 ships, 1 of which is 24 years old, another 37 years old, and the other 3 range in about that category.

The Coast and Geodetic Survey has not had a vessel built since sometime before the war, and only recently off the coast of Maine they had to use a vessel sent from the Pacific to do certain chart work necessary for the fishing fleet. The charting of the ocean shore south of the Virginia Capes is ancient; the chart has not been made there in many many years. These charts are similar and in the category with highway maps and are necessary to navigation on the high seas and inland waterways. There is no objection to the bill that I know of.

Mr. MARTIN. Was it reported unanimously by the committee?

Mr. BONNER. It was reported out of the Committee on Merchant Marine unanimously.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Maine.

Mr. HALE. May I ask the gentleman from North Carolina if this is not substantially the bill which was introduced by Senator PAYNE, of Maine, in the other body?

Mr. BONNER. That is my understanding, and the gentleman from Maine [Mr. HALE] appeared before the Merchant Marine Committee in behalf of the bill.

Mr. MARTIN. I understand about that bill and think it is a meritorious bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. Does this provide for building ships?

Mr. BONNER. It provides for the building of two ships at a cost of \$3,700,000.

Mr. GROSS. The question I want to ask is whether they are to be built in American shipyards or British shipyards?

Mr. BONNER. They will be built in American shipyards by American labor and of American materials.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be constructed for the Department of Commerce two surveying ships of not over 2,500 displacement tons each, under a limit of cost of \$3,700,000 each, including costs of preparation of plans and specifications, cost of inspection during construction, and purchase or construction of complete equipment and outfit: *Provided,* That such limit of cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in ship construction cost generally dating from January 1, 1955, as determined by the Secretary of Commerce.

SEC. 2. There is hereby authorized to be appropriated to the Secretary of Commerce, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING JULY 28

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

Mr. HESELTON. Mr. Speaker, reserving the right to object, may I inquire of the majority leader whether it is the intention of the leadership to ask the House to meet at 10 o'clock on Friday and Saturday of this week?

Mr. McCORMACK. That probably might possibly be the case on Friday. I would not want to project my mind as far ahead as Saturday. I say "probably."

Mr. HESELTON. Can the majority leader indicate to the House his idea of adjournment at this time?

Mr. McCORMACK. That depends on what may occur in the next day or two. I would say we can reasonably expect to do so by next Tuesday or Wednesday. That would be my best guess. That is guesswork, of course, and anybody can guess as well as I can.

Mr. HESELTON. The leader feels it is necessary to come in at 10 o'clock tomorrow morning?

Mr. McCORMACK. I am making such a request.

Mr. GROSS. Mr. Speaker, reserving the right to object, is it now proposed, in view of the vote this afternoon in the House, to make a trial run of this natural-gas bill?

Mr. McCORMACK. The Natural Gas Act will be the first order of business tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 2254 OF TITLE 28 OF THE UNITED STATES CODE

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 318, Rept. No. 1466), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5649) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise

and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING MODIFICATION OF EXISTING PROJECT FOR THE GREAT LAKES CONNECTING CHANNELS ABOVE LAKE ERIE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 319, Rept. No. 1467), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2552) to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING THE COMMITTEE ON EDUCATION AND LABOR TO CONDUCT CERTAIN STUDIES AND INVESTIGATIONS

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 316, Rept. No. 1468), which was referred to the House Calendar and ordered to be printed:

Resolved, That House Resolution 154, 84th Congress, is amended by striking out the words "within the United States" where it appears in said resolution and inserting in lieu thereof the words "within the United States, its Territories and possessions, and the Commonwealth of Puerto Rico."

AMENDING DEFENSE PRODUCTION ACT OF 1950

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 320, Rept. No. 1469), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to

July 28, 1955

14. MINERALS. Passed as reported H. R. 100, to permit the mining development and utilization of mineral resources of all public lands withdrawn or reserved for power development (pp. 10193, 10216-7).
15. RECLAMATION; IRRIGATION. Passed with amendments H. R. 5881, to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects. The amendments consisted of inserting the language of S. 2442 for that of the House bill. Senate conferees were appointed. (pp. 10207-15.)
Passed over, at the request of Sen. Bible, H. R. 4603, to authorize the construction of the Trinity River division, Central Valley project (p. 10194).
Passed as reported S. 1818, to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953 (pp. 10194-5).
Sens. Morse and Neuberger inserted various articles and letters supporting the high dam project for the Hells Canyon Dam project (pp. 10206-7, 10221-3).
16. WATER COMPACTS. Passed without amendment H. R. 3587, authorizing the negotiation of compact by Calif. and Ariz. relative to the waters of the Klamath River (p. 10196).
17. FAO. Passed over, at the request of Sen. Ellender, S. J. Res. 97, to increase the limitation on the U. S. contribution to the Food and Agriculture Organization (p. 10196).
18. ROADS. Sen. Kuchel expressed his regret that Congress did not enact a Federal-aid highway construction bill this session.
19. WHEAT. Sen. Flanders suggested dropping bags of wheat on the Chinese mainland to alleviate the famine and influence the approaching diplomatic negotiations (pp. 10152-3).
20. EXPENDITURES. Sen. Payne commended the recent report on Government expenditures prepared by Sen. Byrd (pp. 10145-6).
21. HEALTH. Sen. Wiley inserted reports of the Public Health Service and private groups on the problem of health in the rural areas and efforts made to provide better health services (pp. 10153-6).
22. STRATEGIC MATERIALS. Sen. Malone submitted a report on the accessibility of strategic and critical materials to the United States in time of war and for our expanding economy. The report describes the economic structure of the 24 nations of the Western Hemisphere and the investment climate within those countries (S. Doc. 83) (p. 10183).
23. NOMINATIONS. Confirmed the nomination of Francis Wilcox as Assistant Secretary of State (pp. 10180-2).
24. LEGISLATIVE PROGRAM. The Majority Leader scheduled for consideration Fri., July 29, the following measures: H. R. 6373, to amend the Domestic Minerals Program Extension Act of 1953 (which was made the unfinished business); H. R. 4663, to authorize the construction of the Trinity River division, Central Valley Reclamation project; S. J. Res. 97, to increase U. S. contribution to the FAO; and S. 2402, to amend sec. 8 of the Civil Service Retirement Act of May 29, 1930 (pp. 10221, 10195, 10219).

July 28, 1955

25. FARM-CITY WEEK. The Judiciary Committee reported with amendment H. J. Res. 317, designating the last week in October of each year as National Farm-City Week (H. Rept. 1551) (p. 10334).
26. CCC. The Banking and Currency Committee reported without amendment H. R. 7541, to increase the borrowing power of the CCC from \$10 billion to \$12 billion (H. Rept. 1559) (p. 10334).
27. SUGAR. The Rules Committee reported a resolution providing for consideration of H. R. 7030, to amend and extend the Sugar Act of 1948 (p. 10325).
28. HOUSING. The Rules Committee reported a resolution providing for consideration of S. 2126, the housing bill (p. 10322).
29. FOREIGN AID. Both Houses agreed to the conference report on H. R. 7224, the mutual security appropriation bill for 1956, and acted on amendments in disagreement (pp. 10167-73, 10241-2). This bill will now be sent to the President.
30. TRADE AGREEMENTS. Both Houses received a Tariff Commission report on the operation of the trade agreements program, July 1953 to June 1954; to S. Finance and H. Ways and Means Committees (pp. 10137, 10334).
31. MINIMUM WAGE. Received the conference report on S. 2168, to amend the Fair Labor Standards Act of 1938 so as to provide for an increase to \$1 in the minimum wage provisions (H. Rept. 1561) (pp. 10320-1).
32. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 3255, to amend the Classification Act of 1949 so as to provide protection for Government officers and employees from loss of basic compensation resulting from reclassification of their positions (H. Rept. 1557) (p. 10334).
33. FARM INCOME. Rep. Deane discussed possibilities for increasing per capita farm income in N. C. and offered suggestions for agricultural development in that State (pp. 10328-32).
34. EMPLOYEE BONDING. Received the conference report on H. R. 4778, to provide for the purchase of bonds to cover officers and employees of the Government (pp. 10322-5). The House conferees included the following in their statement:
"The conference substitute provides, in general, (1) for the mandatory purchase of surety bonds to cover civilian officers and employees and military personnel of each department and independent establishment in the executive branch ... who are required to be bonded by law or by administrative decision, and (2) for the discretionary purchase of surety bonds to cover those officers and employees in the legislative and judicial branches of the Federal Government with respect to whom the appropriate officials of the legislative and judicial branches deem it advisable to require the purchase of surety bonds.
"With respect to the executive branch, the conference substitute provides that the head of each department and independent establishment shall obtain and procure blanket, position schedule, or other types of surety bonds to cover those civilian officers and employees and military personnel of such department or establishment who are required, by law or administrative ruling to be bonded. It is required that such bonds shall be obtained and procured

Mr. HAYDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY APPROPRIATION BILL, 1956—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7224) making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 27, 1955, p. 10122, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, I move the adoption of the report.

Mr. LONG. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. LONG. Will the Senator tell the Senate the total amount which was agreed to?

Mr. HAYDEN. It is \$2,703,741,750.

Mr. LONG. That figure is approximately \$60 million greater than the House figure, is it not?

Mr. HAYDEN. That is correct.

Mr. LONG. Can the Senator tell me whether I am correct in my understanding that the conferees discovered there was a certain amount of money on hand of which we had not been informed previously?

Mr. HAYDEN. That is correct. The conferees made that money available by an amendment to the bill, which amendment is as follows:

Provided, however, That not to exceed \$302 million of any reimbursement heretofore made by the Air Force to military assistance appropriations as of June 30, 1955, pursuant to the provisions of this section, shall be considered null and void, and materials and services of an equivalent amount shall be delivered or performed by the Air Force for military assistance purposes without reimbursement.

What happened was that at the outbreak of the Korean war certain Air Force items intended for foreign aid had to be used in Korea. Those funds were paid by Air Force, and just now reimbursed. We are restoring the money to its original purpose, and it will be available for military-assistance purposes.

Mr. LONG. Is there another item of approximately \$60 million which was not previously known to be available?

Mr. HAYDEN. Yes; but that we did not touch.

Mr. LONG. Will that lapse?

Mr. HAYDEN. Yes.

Mr. LONG. Am I correct in my understanding that there was approximately \$300 million available to the foreign-aid program which was not known to be available at the time the bill was brought before the Senate?

Mr. HAYDEN. That was because of a change in the accounting system which Congress adopted last year. When the Department came to make its inventory, which was required by Congress last year, it was very difficult to make it. The act was passed in August; the Department began to work on it in November, and we got the first figures along in the spring. It was not until June that the work outlined was completed, so that it could be definitely ascertained what was allocated and what was not, what was promised and what was not promised, and what was committed and what was not committed.

It developed that \$300 million had been diverted for our own Air Force in Korea, although it was intended for aid to various foreign governments. That amount has now been restored to its original purpose.

Mr. LONG. Will the Senator explain which category is more correct with reference to this \$300 million. Is it money which they had but did not know they had, or is it \$300 million which they should have had but did not have?

Mr. HAYDEN. They knew they had it, but when the Korean war started it was expended in Korea, and, in order to make it available, it is necessary to adopt the proviso which I have read.

Mr. LONG. It is now in the bill for the first time?

Mr. HAYDEN. The situation with reference to these funds was but recently disclosed, and the conferees decided to make them available by this provision.

Mr. LONG. Is that one of the reasons why the Senate conferees agreed to accept a figure so near that of the House?

Mr. HAYDEN. Yes.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. HUMPHREY. Just where was this \$300 million found?

Mr. HAYDEN. It was found as a result of the accounting which was required by the Congress. Let me take an illustration. Suppose we agreed with a certain country that if it would provide the men for a division of troops we would provide the arms and other equipment. Until they provided the men we had a commitment, but we did not have an obligation. The time has come when some Air Force equipment has to be delivered, and with this provision in the law it can be done.

Mr. HUMPHREY. We are actually appropriating back the \$300 million; are we not?

Mr. HAYDEN. That is what it amounts to.

Mr. HUMPHREY. The authority for the \$300 million was made some years ago, was it not?

Mr. HAYDEN. That is correct; at the time the Korean war started.

Mr. HUMPHREY. The funds were available then to fulfill the obligations of the authorization, prior to Korea, but the authority still remained intact for the use of the money under our Mutual Security Program?

Mr. HAYDEN. Yes.

Mr. HUMPHREY. What we are really doing, having spent the \$300 million once, is that we are now filling up the tank again and spending the money again for Mutual Security?

Mr. HAYDEN. It would have been done at the time, but for the war in Korea.

Mr. HUMPHREY. What we found was an authority for \$300 million. We did not find \$300 million.

Mr. SALTONSTALL. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. I would not wish to disagree with my chairman, but I most respectfully suggest that we are not appropriating the money. We are permitting the Mutual Security Administration to use the funds instead of letting them lapse and making a new appropriation.

Mr. HAYDEN. The Senator is correct. It is not a new appropriation.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield further?

Mr. HAYDEN. I yield.

Mr. HUMPHREY. This is very interesting. What I should like to know is, could it have been spent once in Korea—

Mr. SALTONSTALL. The Senator from Illinois [Mr. DIRKSEN] is very understanding of these situations. As I understand, when the MSA, its former name, would make an agreement with France, for example, it would give an order to the Defense Department. The Defense Department would take the order and fill it out of its own stores. When the material was delivered, it delivered a bill to the MSA which paid the Defense Department for the materials used. In this instance, the money was provided by the MSA. The Defense Department carried out its obligation of building airplanes, but diverted them to Korea, so that it became a Defense Department obligation to send those airplanes to Korea, and it did not ask the MSA for replacement of the fund.

Mr. HUMPHREY. I understand.

Mr. SALTONSTALL. Now the funds have been found to be available. What we are doing is reobligating them, or permitting them to be reobligated, although it is not a new appropriation. The appropriation of new money is down close to the amount which the House provided in the bill which it passed.

Mr. HUMPHREY. I understand. My only comment is that, it seems to me, MSA or FOA, or ICA, as it now is—the name seems to be changed very often—has been a little weak on the takeup, because if \$300 million which was not

"dished" out of the reserves to pay for delivered goods which were contracted for by the Defense Department has now been found, it occurs to me that the accounting system might stand rather careful scrutiny.

Mr. SALTONSTALL. The section which we placed in the bill last year helped to bring the bookkeeping up to date. It was testified before our committee that the bookkeeping is now in much better condition than it ever was. I am sure the Senator from Arizona [Mr. HAYDEN], and the Senator from Illinois [Mr. DIRKSEN], will support me in that statement.

Mr. HUMPHREY. I understand.

Mr. SALTONSTALL. By next year, when the Committees on Appropriations again discuss this matter, the agency will have its accounting up to date.

Mr. HUMPHREY. I think it is a fair observation to say, in light of the argument which was made on the floor by the Senator from Montana [Mr. MANSFIELD], in reference to the military funds in the bill, and now in terms of \$303 million which apparently was not noticed, that someone must have had some very thick blinders if he could not have seen \$800 million.

Mr. SALTONSTALL. The Senator from Minnesota, who is a former mayor of Minneapolis and a former pharmacist of renown, would not tolerate for a moment such bookkeeping in the city of Minneapolis or in the State of Minnesota.

The State of Massachusetts and some of its cities are very much further ahead with their bookkeeping systems than is the Federal Government. There is nothing to be said for such a practice as the one we are discussing. I for one have been trying to encourage the military department, in the past 5 years, to improve their bookkeeping methods.

Mr. HAYDEN. Special provision has been made to continue the improved system of bookkeeping.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. I may say to the Senator from Minnesota that while I signed the conference report, I made exceptions to amendments numbered 1, 2, and 3. I did my best to restore, in addition to the \$302 million, an item of \$420 million for some additional contracting authority, which was stricken. I did so for the very good reason that after the program had been arranged to provide airplanes and other equipment as a part of mutual security, which constituted a gap in the mutual security program, I thought some additional funds should have been restored. But the conference felt otherwise in that respect. As a matter of fact, we have not got completely around to the air component of the security program yet.

We are dealing with materiel. When it comes to bookkeeping, the problem is that the Air Corps bought planes and other items and diverted them for use in the emergency situations which arose. This was not only during 1950, but it continued over a number of years, as the emergency situations developed.

It was then necessary to go back through all the accounting and bookkeeping and to find items here and there, and put them all together. A great amount of time elapsed before all the items could be found and to determine firmly what the Air Corps owed MDAP. While there is some reason for believing there was an inadequate system of bookkeeping, yet all the fault does not lie with the service.

Mr. HUMPHREY. I am not trying to attach blame, but apparently the Senate was not given all the information to which, as a legislative body, it was entitled, not merely with reference to funds which were available under military assistance, but with respect to the \$300 million item to which reference has been made. I am delighted to know that the \$300 million has been restored. The Senator makes a good case, but I still say it is pretty hard to lose \$300 million.

Mr. DIRKSEN. It is not money which was lost. It was a case of getting a firm figure and having it justified by the Bureau of the Budget and the General Accounting Office before a restoration could be made to MDAP. While we may charge them with laches in the matter, yet I do not believe all the fault was on their side.

Mr. MANSFIELD. Mr. President, in order that the record may be crystal clear with respect to the operations of the Department of Defense this year in the handling of funds available for foreign military assistance, I want to summarize the Department's activities since last April.

First. April 20, 1955: On that date the Department of Defense indicated to the Committee on Foreign Relations that at the end of the fiscal year, on June 30, 1955, it would have left over, in unobligated and unreserved funds, \$100 million.

Second. May 26, 1955: On this date the Committee on Foreign Relations adopted an amendment which I proposed and to which the Department of Defense did not object, stating that unobligated or unreserved funds as of June 30 in excess of \$200 million should lapse into the United States Treasury.

Third. June 13, 1955: On this date the House Committee on Foreign Affairs was informed by the Defense Department that it was not going to be able to obligate the funds as rapidly as it had earlier expected and therefore that my amendment limiting the carry-over to \$200 million should be eliminated. This the House committee refused to do.

Fourth. June 28, 1955: The chairman of the House Committee on Foreign Relations received word that the estimated unobligated balance on June 30, 2 days later, would be \$670 million instead of the earlier estimate of \$100 million.

Fifth. June 30, 1955: On this date, Mr. PASSMAN of the House Appropriations Committee announced that the Department of Defense had told him that the unobligated estimate had gone up to \$932 million.

Sixth. July 1, 1955: On this date information was received from the Office of International Security Affairs Comptroller, Department of Defense, that during the previous 24 hours the last 24

hours of the fiscal year—\$575 million had been reserved or obligated by the Department of Defense. Subsequently this figure was corrected to \$614 million and later to more than \$700 million.

Seventh. July 11, 1955: On this day, largely on the basis of the June 30 financial manipulations of the Department of Defense, the House of Representatives approved an appropriation bill which reduced the appropriations for military assistance by \$420 million.

Eighth. July 22, 1955: On this date the Senate, by a vote of 38 to 50, rejected a motion to accept the House reduction of \$420 million.

Ninth. July 28, 1955: According to press reports on this date, the conferees on the Mutual Security Appropriation Act agreed with the action of the House of Representatives in reducing the funds appropriated for foreign military assistance by \$420 million. According to the press they were influenced largely by the fact that the Defense Department discovered that it had an additional \$302 million in unobligated funds left over from 1951 and 1952 and an additional \$66 million found available on the basis of a last-minute telephone call from Europe. This is in addition to the \$932 million unobligated before June 30, or a total of \$1,300,000,000. I wonder if, by looking closely, more unobligated and unknown money may be found?

Mr. President, this is a remarkable record. It emphasizes again the need for a thoroughgoing investigation of the fiscal operations of the Department of Defense in the handling of funds appropriated for foreign military assistance. I urge the Comptroller General to scrutinize these operations most carefully. It is my intention before the Congress again considers the authorization of new funds for foreign military assistance to insist that the full picture of these financial operations be brought to light.

Mr. HUMPHREY. Mr. President, the junior Senator from Montana is a very kind, generous, temperate man when he says the appropriation item under consideration makes a remarkable picture. I think the phrase should be changed so as to say that it is a very miserable one.

When a department of the Government, in its bookkeeping transactions, can lose track, over a period of time, of a billion dollars, and not be able really to pinpoint it, and state whether it really has it or does not have it, then, indeed, the request and suggestion of the Senator from Montana is in order.

As a Senator who has voted for the requests of the Department of Defense for the military assistance and the military construction programs, I certainly feel a little concerned about my judgment when I find report after report coming back indicating that the Department of Defense does not know the amount of money it has left over, and does not understand or seem to be accurately reporting either obligated or unobligated balances.

If this is businesslike administration, God bless free enterprise. I have never heard of more unbusinesslike administration.

Mr. DIRKSEN. Mr. President, the figures which have been given do not mean a thing unless the explanations go along with them. Let us pick out one item. The Senator stated \$66 million was found. As a matter of fact, \$96 million was found. That was reported by telephone call yesterday afternoon from Paris. How was that amount found? On Wednesday last, the Council of Defense, under General Gruenther, had finally approved a modification of plan, so that small installments, as against large installments, would be undertaken. It was a complete modification of plan, with the result that \$96 million was saved.

I think General Gruenther is deserving of the gratitude of the Appropriations Committee and the people for promptly notifying Washington that there had been a change in plans, and that \$96 million was unexpended and available.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KENNEDY. Does not the Senator think that the transfer of funds in that manner lessens the control of Congress over the disbursement of funds?

Mr. DIRKSEN. The program has to be flexible. There was a time when a change could not be made from F-84's to F-86's without losing money. As a consequence, what could the Military Establishment do if it decided it wanted one type of plane used as against another, either on Formosa or on the NATO line? Congress is constantly insisting that when funds are deobligated, they should revert to the Treasury. But what would happen under such a program when many countries are involved in a common defense against communism? There must be flexibility.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. I agree there must be flexibility. Now that the Senator has explained about the \$96 million, how does the Senator explain the inability of the Defense Department, to which the

Senator from Montana has referred, not for the first time, but time and time again, to tell the Congress how many dollars in unobligated funds are remaining, or how many dollars have been assigned for a particular purpose?

Mr. HAYDEN. Mr. President, if I may answer that question, it is impossible to make such a computation on any one given day. The information is not available. Just as happened in France, if there exists an agreement with a foreign government to supply it with a certain type of equipment, and then it is found that country can be supplied with equipment which does not cost so much, the Military Establishment ought to have an opportunity to make the change. Money must be allowed to go to those who we hope will fight with us in time of war. Of course, there has to be a certain review of expenditures. As the Senator from Illinois pointed out, in the last Congress we did provide for a better method of accounting. That accounting system has been put into effect. It did not go into effect until late in the past fiscal year. The results of the bookkeeping method will be shown to us next year. I can guarantee that next year there will not be these large figures which come under suspicion or doubt when appropriations are considered.

Mr. MANSFIELD. Mr. President, I am delighted by the statement of the Senator from Arizona. I take it the Committee on Appropriations is going to be as sure and as certain as it possibly can be that the moneys will be accounted for, and that there will be no reference to figures which change from day to day, from hour to hour, and even from minute to minute. In the course of 60 seconds there was a change in a figure from \$66 million to \$96 million.

Mr. HAYDEN. The figures can change from month to month, as changes are made in commitments to our allies. I ask the Senator not to forget that. We are trying to meet our commitments to our allies. If we can

find that they can be supplied with equipment which does not cost so much as was originally contemplated, and which will have the same result, the Military Establishment should be allowed to make the necessary changes. Or if it is necessary to furnish more money, we should be able to do it. But we are going to back up the countries which are allied with us in the fight against communism.

Mr. MANSFIELD. But I take it we are going to vote on those funds from now on.

Mr. DWORSHAK. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. When the mutual security appropriations bill for 1956 was before the Senate for consideration last week, I stated that the grand total of foreign financial assistance had reached the stage where, in the 11-year period 1945-55, inclusive, the Congress had authorized the staggering sum of \$65,142,571,407. Against these authorizations, Congress has appropriated and otherwise authorized a grand total of \$61,147,245,742, or an annual average of \$5,558,840,522, an amount which would more than balance the Federal budget in any fiscal year if we did not have this great burden.

To the figures I have just given must be added the amount proposed in the report of the conferees on the mutual security appropriations bill for the fiscal year 1956. Thus, the responsibility continues on the part of the American taxpayer to furnish aid in billions of dollars some 12 years after hostilities in World War II have actually ceased.

While it is not my desire to labor this point, I feel the American people should know what we have spent in the past, and to that end I request unanimous consent that a table I have had prepared be inserted in the body of the RECORD to accompany my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

POST-WORLD WAR II FOREIGN AID APPROPRIATIONS

Grant and loan funds authorized and appropriated for major foreign-aid programs, 1945-55

Program or function	1945	1946	1947	1948	1949	1950
United Nations relief and rehabilitation (UNRRA).....	\$700,000,000	\$1,900,000				
Government and relief in occupied areas.....			\$725,000,000	\$1,083,000,000	\$1,300,000,000	\$912,500,000
Relief assistance, post UNRRA.....				310,000,000		
International Refugee Organization.....				71,073,900	70,710,228	70,500,029
Assistance to the Philippines.....		1,000,000	57,918,000	112,500,000	116,499,000	201,966,398
Assistance to Greece and Turkey.....				400,000,000	225,000,000	45,000,000
Interim aid.....				577,000,000		
Aid to children.....				40,000,000	35,000,000	
European recovery program.....				4,000,000,000	1,074,000,000	3,628,380,000
Far Eastern aid.....				400,000,000		110,000,000
Loan to Spain.....						
Aid to Yugoslavia.....						
Emergency food aid to India.....						
Relief to Palestine refugees.....					16,000,000	
International development (point 4).....						
Institute of Inter-American Affairs.....					2,500,000	4,751,600
Mutual defense assistance.....						814,010,000
Mutual security.....						
Price support wheat to Pakistan.....						
Famine relief.....						
Patrol type vessels to Japan.....						
2 submarines to the Government of the Netherlands.....						
2 submarines to the Government of Italy.....						

Grant and loan funds authorized and appropriated for major foreign-aid programs, 1945-55—Continued

Program or function	1945	1946	1947	1948	1949	1950
Not to exceed 25 craft not larger than the destroyer type to any friendly nation in the Far East.....						
Small aircraft carrier to the Government of France.....						
2 submarines to the Government of Turkey.....						
Coastwise trade vessels to Brazil.....						
Total.....	\$700,000,000	\$1,901,000,000	\$782,918,000	\$6,993,573,900	\$2,839,709,228	\$5,787,108,027
Economic Recovery Administration.....						
Public debt authorization ⁶						
Additional authorizations ⁷						
Grand total.....						

Program or function	1951	1952	1953	1954	1955	Total appropriations, 1945-55
United Nations relief and rehabilitation (UNRRA).....						\$2,600,000,000
Government and relief in occupied areas.....	\$288,000,000	\$22,500,000	\$11,000,000	\$3,100,000	\$3,100,000	4,348,200,000
Relief assistance, post UNRRA.....						310,000,000
International Refugee Organization.....	25,000,000					237,284,157
Assistance to the Philippines.....	50,200,000	3,000,000				543,083,398
Assistance to Greece and Turkey.....						670,000,000
Interim aid.....						577,000,000
Aid to children.....	5,750,000					80,750,000
European recovery program.....	2,200,000,000					10,902,380,000
Far Eastern aid.....	140,000,000	50,000,000	175,000,000	258,000,000		1,133,000,000
Loan to Spain.....		(1)				
Aid to Yugoslavia.....		(2)				
Emergency food aid to India.....		(3)				
Relief to Palestine refugees.....	27,450,000					43,450,000
International development (point 4).....	26,900,000					26,900,000
Institute of Inter-American Affairs.....	5,000,000					12,251,600
Mutual defense assistance.....	5,678,023,729					6,492,033,729
Mutual security.....		7,328,903,976	6,001,947,750	4,531,507,000	2,781,499,816	20,643,858,542
Price support of wheat to Pakistan.....			(5)	(4)		
Famine relief.....				(3)		
Patrol type vessels to Japan.....				(3)		
2 submarines to the Government of the Netherlands.....				(3)		
2 submarines to the Government of Italy.....				(3)		
Not to exceed 25 craft not larger than the destroyer type to any friendly nation in the Far East.....				(3)		
Small aircraft carrier to the Government of France.....				(3)		
2 submarines to the Government of Turkey.....				(3)		
Coastwise trade vessels to Brazil.....				(3)		
Total.....	8,446,323,729	7,404,403,976	6,187,947,750	4,792,607,000	2,784,599,816	48,620,191,426
Economic Recovery Administration.....						1,212,054,316
Public debt authorization ⁶						
Additional authorizations ⁷						11,315,000,000
Grand total.....						61,147,245,742

Total congressional authorizations, 1945-55.....	\$65,142,571,407
Total congressional appropriations and authorizations, 1945-55.....	61,147,245,742
Annual average appropriation.....	5,558,840,522

¹ From public debt funds in the authorized amount of \$62,500,000.

² In the authorized amount of \$50,000,000; \$37,800,000 funds previously appropriated for ERP under Public Law 759, 81st Cong.

³ \$162,745,684 from funds previously appropriated for ERP under Public Law 759, 81st Cong., \$27,254,316 public debt funds.

⁴ Authorization to the Commodity Credit Corporation to expend not more than \$100,000,000 out of its stocks for famine relief or other urgent relief requirements.

⁵ No dollar value stipulated in the authorization. No appropriation required.

⁶ Recovery program (public debt authorizations). The aggregate total for loan purposes for economic recovery program from public debt funds is \$1,212,054,316.

⁷ Additional authorizations, approximately \$11,315,000,000, including: (1) \$3,750,000,000 British loan authority; (2) \$5,000,000,000 Export-Import Bank cumulative lending authority; (3) \$65,000,000 United Nations Headquarters loan; (4) \$1,000,000,000 possible charge to the Commodity Credit Corporation capital fund in a 3-year period ending June 30, 1957, from sale or transfer of surplus agricultural commodities as authorized by Public Law 480, 83d Cong.; and (5) various surplus property and merchant ship sales authorities having a gross total of approximately \$1,500,000,000.

Mr. DWORSHAK. Mr. President, let me say briefly, by way of conclusion, that we are approaching the point where foreign aid spending may become a permanent fixture in Federal budget operations, and the American taxpayer will have to share his earnings with the rest of the world, regardless of how much Europe, Asia, Africa, or any other section of the globe may progress economically.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the discussion which has been taking place on the floor certainly is not calculated to create a great deal of confidence in the country over the fiscal operations of the foreign-aid program through the years. This foreign aid program has been going on since 1948 under various names. First was GARIOA, the initials for Government and Relief

in Occupied Areas. Then, after the Marshall plan was launched, it was ECA, the Economic Cooperation Administration. After a while the economic aspects gave way, in part, to the military and a new name was given to foreign aid. It became MSA, the Mutual Security Administration. Still later, we knew it as FOA, as the Foreign Operations Administration came into the picture with State Department connections. And now it is the International Cooperation Administration, or ICA. So the variety of names—GARIOA, ECA, MSA, FOA, and ICA, in a period of 6 or 7 years, each new name presumably reflecting an emphasis intended to give greater selling appeal to a program which was begun formally with the Marshall plan.

If members of the Committee on Appropriations disagree on the source and size of uncovered funds, surely the average Member of Congress can hardly be blamed for being confused. Certainly

citizens throughout the country have even more justification for being confused.

I wish to make the simple observation that such administration of foreign aid funds as this debate discloses over a period of years cannot create confidence throughout the country. Many people will oppose the appropriation of another dollar for these purposes next year unless some real fiscal control is established.

My friend the Senator from Montana [Mr. MANSFIELD], relying on the promise which was given by the chairman of the Appropriations Committee a few minutes ago, that next year there would be a better program, used a western term and called for "bulldogging." I think the term is justified in this situation. During early years of the Marshall plan, we had a "watchdog committee." I have not heard much about that in recent years. I think the time has come to do a little "bulldogging," that is, to get

firm hold on these fiscal operations, so the country may know what is happening and where the dollars really are, spent or unspent.

It does not inspire any confidence in past accounting methods, at least to this one Member of the Senate, to read in the morning paper that \$302 million has been found in one area and \$66 million in another, and then now to learn that the latter figure should be \$96 million, of previously appropriated funds which can be made available—all amounts which were not disclosed to the committees when the bills were brought to the floor for passage.

Nor does it inspire any confidence to have the story told of an understanding reached at a conference between reputable Members of the House of Representatives and officials from an executive department who entered into an agreement providing for \$712 million, \$420 million of it to be impounded or reserved and \$312 million to be spent, and then later to have it said that that agreement was a one-sided statement of position. On what can we rely if not on the testimony of honorable men?

The whole situation is one that deserves real "bulldogging," as the Senator from Montana has suggested. Possibly only the Members from the Western States know what is meant by bulldogging a steer, which means to tackle a steer by the horns, throw him over, and have him completely under control.

I hope the Appropriations Committee will do some real bulldogging, will wrestle with this problem, will grab the steer by the horns, will throw him down, and will bring the situation with respect to the funds for foreign aid completely under control.

Mr. PAYNE. Mr. President—

Mr. HAYDEN. I yield to the Senator from Maine.

Mr. PAYNE. Mr. President, I think no one should be under any misapprehension whatever regarding the particular problem which has come into the picture today. Certainly this situation is not in any way a reflection against the operations of the present administration, for let me assure the Senate that the fiscal policies of the Government were not established within the past 3 years, but are the outgrowth of a system which has been continuing over a long, long period of time.

Earlier today, I spoke of the very outstanding work which the Senator from Virginia [Mr. BYRD] has been doing in connection with his Joint Committee on Reduction of Nonessential Federal Expenditures; and I recommended that the Members of the Senate and also the Members of the House of Representatives pay a little more heed and attention to some of the reports the Senator from Virginia has been making, coming from the joint committee of which he is the chairman.

I can assure the Senate that the law which was passed by the Congress at the last session, to which the Senator from Arizona [Mr. HAYDEN] has referred, will do a great deal to make it possible to determine whether the ground rules have been laid down with clarity, so that

it will be possible to determine what the unobligated balances of the Government are, agency by agency, on an accurate and factual basis. Those ground rules were never laid down before; and I defy anyone to show that any report which previously has been given by any agency, possibly over 20 or more years, ever stated factually what the obligated and the unobligated balances of appropriations were. So the problem is not one which has arisen only today.

The problem requires straightening out the fiscal policy of the Federal Government and putting it into such shape that it will meet the test required by local governments, whose accounts are subject to audit, and by private business.

I am sure that after the Comptroller General has had a chance to put into operation the ground rules, as determined by the law referred to, which was enacted at the last session, it will be possible for us then to determine what an obligation is and what an obligation is not; and at that time if further rules are needed, I am sure we shall be able to see to it that they are placed on the statute books.

Mr. CAPEHART. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER (Mr. MONROE in the chair). Does the Senator from Arizona yield to the Senator from Indiana?

Mr. HAYDEN. I yield.

Mr. CAPEHART. Mr. President, one of the reasons why the President appointed Mr. Hollister, an able and successful businessman from Cincinnati, Ohio, was to have him straighten out this matter. If we give Mr. Hollister a little time, I think he will straighten it out; and I believe that under his direction in the next 12 months we shall have a much better situation than we have had heretofore.

Mr. DIRKSEN. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. Mr. President, the average reader of the CONGRESSIONAL RECORD who reads the remarks of the distinguished Senator from South Dakota [Mr. CASE] will certainly wonder about this amazing transformation in our foreign-aid program. Do what he will, the average reader will not find in those remarks information to show him that, first of all, the Congress set up the ECA as a 4-year program; and then, by its own action, the Congress changed it to the mutual security program; and then, last year, by means of a provision in the foreign-aid bill, the Congress changed the agency into the Foreign Operations Administration.

Mr. President, where does the responsibility lie? We should do a little open confessing for ourselves, and should not throw all the brickbats toward the other end of Pennsylvania Avenue, for in the first instance the responsibility is right here in the Congress. Oh, how easy it is, Mr. President, for us to run out from under our responsibility.

Mr. HUMPHREY. Mr. President, I think all of us have responsibility, as the Senator from Illinois has pointed out. But, again, I point out that this

matter is in connection with the side-show, not the main event. We are not talking about any mismanagement of F.O.A. Regardless of whether the agency is called the ECA or whatnot, it still has the same program.

The funds we are discussing are those of the Department of Defense. Mr. Hollister may be a good man; and if he is, I am all for him. But we can say the same of Mr. Wilson. I wish to say that if General Motors Corp. kept its books in the same way that the Department of Defense has kept its books, General Motors would not be doing the business it is doing today.

Mr. President, all the records referred to are in the Department of Defense. Although the operations referred to may have been going on for years, I wish to say that I did not intend to discuss this issue as a partisan one. However, since that point has been brought up, let me say that for the past 3 years the Department of Defense has had, so we are told, a new administration and a New Look. So I suggest that we make an appraisal of what has happened there, in terms of these amounts. Certainly it is not easy to lose track of a billion dollars, even though it may not be easy to keep track of the obligated and the unobligated funds.

The Senator has presented figures regarding the Department of Defense, not the State Department or the Foreign Operations Administration. Those figures show how the officials of the Department of Defense have come before the congressional committees, including the Foreign Operations Committee—where I heard them testify—and have said that in the Department there were only \$100 million of unobligated funds. That testimony was given in May or June. But earlier in July we found that the correct figure was several hundred million dollars; and today we find that the correct amount is more than \$1 billion—in fact, approximately \$1,330,000,000.

Mr. PAYNE. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. Mr. President, I hope we can conclude this post mortem, because I am most anxious to have the conferees on the supplemental able to meet with the conferees on the part of the House, who are waiting downstairs.

Mr. CAPEHART. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. CAPEHART. Let me say I think it is fine that the Department has not spent the money. Perhaps the Department officials lost track of the money, from a bookkeeping standpoint, but the fact remains that if the money is there, they have not spent it. Therefore, I congratulate them on being economical and on saving the money of the American taxpayers. That is a wonderful thing.

Mr. HUMPHREY. Mr. President, what has really happened is that those officials have been "hiding the money under the mattress," so to speak; and, in spite of that, they have come to us and have said, "We want more money, so we can pile it on the shelves."

Mr. CAPEHART. But the point I am making is that they did not spend the money, and therefore the United States taxpayers are that much better off.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LONG. Mr. President, the colloquy on the conference report illustrates what some of us have been saying about the foreign-aid program.

When I first came to the Senate, I voted for the Marshall plan with the understanding that it was a program with a definite limitation of time. However, when the Marshall plan expired, up came the military-aid program; and the funds left from the Marshall plan were shifted over, without any great amount of restudy. Thereafter, vast amounts of appropriations were made from year to year for economic aid and for military aid. Increased amounts were voted from year to year, even though the amounts previously voted had not been fully spent. Year by year, those vast sums of money have been piling up. That is why some of us have been urging that the Congress should not appropriate so much money, because vast sums of money for these purposes have already been appropriated.

At this time, while the foreign-aid program was being considered by the Senate, we find that there was more than \$300 million on hand of which no one knew anything about. That was one item. There was another \$60 million, in some other direction, about which no one knew anything when the bill was considered by the Senate. That is because these programs have been switched and changed; money has been obligated and deobligated. Money had been appropriated for purposes which were not necessary. When the fact that they were not necessary was discovered, they were switched to other funds, reserved and then unreserved. We were told that in some cases programs had been changed as many as seven times, after a single appropriation.

At this moment there is on hand—and this is the latest accounting of which I am aware—\$8,406,000,000 of old funds. This bill will make available \$2,703,000,000 of additional funds, or a total of \$11,109,000,000. Some of us feel that our Government has lost control of these funds. Congress does not know where they are, or how much is necessary.

We started this program by appropriating most of the money for Europe. We were told that 1954 would be the target date, the date of great danger, the year in which war might break out. 1954 came and went, and most of the money had not been expended up to that date. But rather than restudy all the funds left on hand, which should be reconsidered, much of the money having been deobligated, Congress went ahead blindly and permitted the military to

carry these vast balances from year to year into the future.

No one in the Senate can tell us precisely what the \$8,406,000,000 is for. It is simply a matter of carrying forward vast balances which should be restudied and brought under control.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7224, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 28, 1955.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, and 8 to the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 21, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"Funds appropriated under each paragraph of this act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during the fiscal year 1956, may be consolidated in one account for each paragraph."

That the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until June 30, 1958, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials

delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided, however*, that not to exceed \$302,000,000 of any reimbursement heretofore made by the Air Force to military assistance appropriations as of June 30, 1955, pursuant to the provisions of this section shall be considered null and void and materials and services of an equivalent amount shall be delivered or performed by the Air Force for military assistance purposes without reimbursement: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this Act for military assistance (including specified amounts of unobligated balances and funds consolidated with any such appropriation), amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, and, where authorized by the President, funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year and no expenditure shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That nothing in this Act shall be construed as making any appropriation or fund available for obligation after the end of the current fiscal year except as may be necessary for reimbursements authorized herein."

Section 110 of the Act of September 3, 1954 (Public Law 778), is hereby repealed.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 21 and 24.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the amount estimated for each item, the amounts which were added in the bill as it passed the House and Senate, and the amounts provided for in the conference report.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Items	1955 appropriations, adjusted	1956 estimate	1956 House bill	1956 Senate bill	Conference agreement
MUTUAL DEFENSE ASSISTANCE					
Military assistance:					
Appropriation.....	\$1,020,973,387	\$1,125,000,000	\$705,000,000	\$1,125,000,000	\$705,000,000
Unobligated and unreserved balance.....	2,422,512,729	33,900,000	33,900,000	33,900,000	33,900,000
	3,443,486,116	1,158,900,000	738,900,000	1,158,900,000	738,900,000
Direct forces support.....	365,760,000	317,200,000	305,000,000	317,200,000	317,200,000
Defense support:					
Europe.....	142,760,000	70,000,000	70,000,000	85,500,000	85,500,000
Near East and Africa.....	192,903,000	102,500,000	102,500,000	113,700,000	113,700,000
Asia:					
Appropriation.....	826,914,808	827,800,000	775,000,000	827,800,000	800,000,000
Unobligated balance.....	32,200,000	25,000,000	25,000,000	25,000,000	25,000,000
Total, Asia.....	859,114,808	852,800,000	800,000,000	852,800,000	825,000,000
Total, defense support:					
Appropriation.....	1,162,577,808	1,000,300,000	947,500,000	1,027,000,000	999,200,000
Unobligated balance.....	32,200,000	25,000,000	25,000,000	25,000,000	25,000,000
	1,194,777,808	1,025,300,000	972,500,000	1,052,000,000	1,024,200,000
Total, mutual defense assistance:					
Appropriation.....	2,549,311,195	2,442,500,000	1,957,500,000	2,469,200,000	2,021,400,000
Unobligated balance.....	2,454,712,729	58,900,000	58,900,000	58,900,000	58,900,000
	5,004,023,924	2,501,400,000	2,016,400,000	2,528,100,000	2,080,300,000
DEVELOPMENT ASSISTANCE					
Near East and Africa.....	91,400,000	73,000,000	73,000,000	73,000,000	73,000,000
South Asia.....	60,500,000	71,000,000	61,000,000	51,000,000	51,000,000
American Republics.....	12,700,000	38,000,000	38,000,000	38,000,000	38,000,000
Total, development assistance.....	164,600,000	182,000,000	172,000,000	162,000,000	162,000,000
TECHNICAL COOPERATION					
General authorization.....	108,397,000	146,500,000	125,000,000	130,000,000	127,500,000
United Nations program.....	16,457,621	24,000,000	24,000,000	24,000,000	24,000,000
Organization of American States.....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total, technical cooperation.....	126,354,621	172,000,000	150,500,000	155,500,000	153,000,000
OTHER PROGRAMS					
Special Presidential fund.....		100,000,000	100,000,000	100,000,000	100,000,000
Special assistance in joint control areas.....	24,594,500	21,000,000	21,000,000	21,000,000	21,000,000
Intergovernmental Committee for European migration:					
Appropriation.....	10,000,000	12,500,000	10,000,000	12,500,000	12,500,000
Unobligated balance.....	500,000				
	10,500,000	12,500,000	10,000,000	12,500,000	12,500,000
United Nations Refugee Fund.....		1,400,000	1,000,000	1,400,000	1,200,000
Escapee program.....	6,250,000	6,000,000	6,000,000	6,000,000	6,000,000
United Nations Children's Fund.....	12,500,000	14,500,000	14,500,000	14,500,000	14,500,000
United Nations Relief and Works Agency:					
Appropriation.....		61,366,750	56,366,750	60,366,750	58,366,750
Unobligated balance.....	23,063,250	3,633,250	3,633,250	3,633,250	3,633,250
	23,063,250	65,000,000	60,000,000	64,000,000	62,000,000
North Atlantic Treaty Organization.....	1,169,000	3,700,000	3,700,000	3,700,000	3,700,000
Ocean freight charges:					
United States voluntary relief agencies.....	1,500,000	2,000,000	1,500,000	2,000,000	2,000,000
Surplus agricultural commodities.....	7,300,000	13,000,000	10,000,000	13,000,000	13,000,000
	8,800,000	15,000,000	11,500,000	15,000,000	15,000,000
Contract expenses.....	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Administrative expenses.....	32,500,000	33,500,000	33,500,000	33,500,000	33,500,000
President's fund for Asian economic development.....		200,000,000	100,000,000	150,000,000	100,000,000
Special programs.....	33,845,500				
Total, other programs:					
Appropriation.....	130,834,000	470,141,750	358,741,750	419,141,750	366,941,750
Unobligated balance.....	23,563,250	3,633,250	3,633,250	3,633,250	3,633,250
	154,397,250	473,775,000	362,375,000	422,775,000	370,575,000
Undistributed unobligated balance.....		21,366,750		21,366,750	
Total mutual security:					
Appropriation.....	2,971,099,816	3,266,641,750	2,638,741,750	3,205,841,750	2,703,341,750
Unobligated balance.....	2,478,275,979	83,900,000	62,533,250	83,900,000	62,533,250
	5,449,375,795	3,350,541,750	2,701,275,000	3,289,741,750	2,765,875,000

MEETING OF COMMITTEE ON THE JUDICIARY DURING SENATE SESSION

Mr. KILGORE. Mr. President, there are a number of nominations which subcommittees of the Committee on the Judiciary are ready to report. I should like to get them cleared up during this session. I ask unanimous consent that the Judiciary Committee may hold meetings during the present session of the

Senate, in the District Committee room, for the purpose of passing on nominations and other matters which should come before the Senate during the present session.

I should like to notify all members of the Committee on the Judiciary that a meeting is to be held, and I desire to have at least eight members present.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The Senate resumed the consideration of the bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act.

Mr. PURTELL. Mr. President, I wish to address myself for a very few mo-

ments to the pending bill. It had been my intention to discuss it at greater length than I shall speak, but the hour is late, and the inner man is demanding that I get some food.

Much has been said about sections 5 and 6 of the bill. I should like to associate myself with the remarks of the junior Senator from Colorado [Mr. ALLOTT] and the senior Senator from New Jersey [Mr. SMITH] regarding those sections. I should also like to make it quite clear that I am very much in favor of the first four sections of the bill. They have great merit. They should become law, and I believe they will become law.

We find in the bill sections 5 and 6, which are wholly unrelated to the bill. They have to do with changing the civil-service practices followed throughout all Government agencies.

It seems peculiar that we suddenly find that positions in schedule C might well lend themselves to political attack, but we never thought so with respect to schedules A and B, which have been in effect since 1947.

If we have such great concern about protecting those working in this particular agency, why do we not show the same concern for those working in other agencies? If the proposal made in sections 5 and 6 for a change in the civil-service requirements as to schedules A, B, and C are good, why are they not good for all other agencies? Why limit the application of the law to the Railroad Retirement Board? If the proposal has the merit which the proponents claim for it, why should it not be adopted with respect to all other agencies of government? What makes the employees of this particular agency so different, with respect to the security of their positions? Why is it necessary to make a particular piece of legislation apply to them only?

If the proposals embodied in sections 5 and 6 are good—and they are so held by the proponents—why not submit those proposals in a separate piece of legislation to the Committee on Post Office and Civil Service, and allow them to be applied to all agencies?

It was stated earlier in the day that this proposal represents the beginning of the tearing down of civil-service practices in our Government. I am against it. This is the beginning of a policy of allowing each agency to determine to what extent civil-service laws shall apply to it.

Mr. President, I plead with Senators not to include these unrelated sections in the bill, and to support the amendment offered by the Senator from New Jersey [Mr. SMITH]. If these proposals have the merit claimed for them by the proponents, let them be proposed in a separate piece of legislation, to apply to all agencies.

Mr. ALLOTT. Mr. President, I should like to make a few observations with respect to the amendment to strike sections 5 and 6 from the bill.

When I spoke earlier in the day it was on the basis—and that is still my position—that these sections are bad legislation, for the reasons which I assigned at that time.

In the first place, sections 5 and 6 are unrelated to a meritorious bill which should be passed. However, certain other questions have been raised. I am sorry the distinguished Senator from Illinois [Mr. DOUGLAS] has raised the question of politics, because I do not propose to discuss the subject on a political basis. He has attempted to make a showing before this body that if those two sections were stricken the bill would operate to the detriment of the Railroad Retirement Board.

This is not true. The Senator from Illinois stated that last year, when the Board asked for the designation of 10 or 12—or, as he says, 11—new members in schedule C, he objected to it. I ask, Where was the voice of the Senator from Illinois when Executive order 7432 was issued in 1936, authorizing 27 additional executive positions? Where was his voice on March 7, 1939, when 19 additional department heads in the Board were authorized?

It is because we want politics kept out of the Board that the amendment is offered. It is because we want a real civil service and merit system maintained in the United States Government that the amendment is offered.

What is the situation? Contrary to what has been stated, by virtue of the Roth decision, not one of the persons holding a position in the agency, if he has a civil service rating at the present time, can be discharged.

If the amendment is agreed to, the Board will be in exactly the same position it has always been in, which is exactly the position of every other department of the Government. No one will be supplanted. The attorneys who now hold jobs on the Board cannot be disturbed or supplanted.

Without the amendment, the bill would set up a super civil service status in the Railroad Retirement Board. As my distinguished colleague from Connecticut [Mr. PURTELL] has stated, it would in effect be the beginning of the breakdown of the civil-service system in the United States Government.

It would require lawyers, for example, in the future to take civil-service examinations. I submit to the Senate that anyone who selects a lawyer, either for a board or for his own personal business, upon such a basis is indeed making a grave mistake. The qualities which are necessary for such a position are not shown up by a civil-service examination. In addition to that, the Appropriations Committee of the Senate, the Budget Bureau, and the Civil Service Commission have placed themselves on record in opposition to that principle.

True it is that some question was raised last year, but where were the voices of the present critics when other executive appointments were made in years past? I did not hear them then.

In conclusion, Mr. President, I should like to say that the Board is a nonpartisan board, and it should rightly be so. It is necessary that it be so for the proper administration of the funds, which the Government does not supply. In that respect I invite attention to the

fact that the Board is somewhat comparable to the Social Security Board, in which the money is supplied by the employees and employers. In that respect the social-security system is not very much different from the Railroad Retirement Board.

Therefore, if sections 5 and 6 are adopted, we may well contemplate a request by every board of the Government, commencing with the boards which are most similar to the Railroad Retirement Board, for a similar status in the civil service of the United States Government.

It is because I wish to keep politics out of the Board, because I wish to see it efficiently administered, and because, above all, I wish to see a real civil service and merit system maintained in the United States Government, that I ask my colleagues to support the amendment offered by the senior Senator from New Jersey [Mr. SMITH].

Mr. LEHMAN. Mr. President, I have listened to the argument made both on the floor of the Senate and in the Committee on Labor and Public Welfare, of which I am a member, as is the distinguished Senator from Colorado to the effect that the inclusion of sections 5 and 6 in the bill would weaken the competitive civil service of the Federal Government.

Those who have so argued have not presented any facts to support their claims. They have not been able to give chapter and verse in support of their argument. As a matter of fact, what is proposed by the amendment of the senior Senator from New Jersey would weaken the competitive civil service very greatly. No one can convince me that to remove a substantial number of positions from the competitive civil service would strengthen the civil-service system. No one can convince me of that. It just does not make sense. Certainly such a course would weaken the competitive civil service.

Mr. ALLOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from New York yield to the Senator from Colorado?

Mr. LEHMAN. I yield.

Mr. ALLOTT. Mr. President, does the Senator from New York maintain that if the amendment is agreed to the Board will be in any different position than any other department of the Government?

Mr. LEHMAN. I am certainly convinced that if the amendment is agreed to, when there are any changes made in the positions, because of death or resignation, separation from the service, or for any other reason the new appointments will be entirely exempt from any requirement of the competitive civil service. I have lived with civil service for a great many years. I have tried to strengthen it. In the State of New York I believe we have strengthened it. Instead of taking employees from under the competitive civil service, we have continually sought to increase the number of people covered by the competitive civil service. And we maintained the

Kluczynski	Ostertag	Seely-Brown
Lane	Patterson	Siler
Lanham	Philbin	Sisk
Latham	Pillion	Smith, Wis.
Lesinski	Polk	Spence
McCarthy	Powell	Staggers
Macdonald	Price	Sullivan
Machrowicz	Rabaut	Talle
Mack, Ill.	Rains	Taylor
Madden	Ray	Thompson, N. J.
Magnuson	Reuss	Tumulty
Marshall	Rhodes, Pa.	Vanik
Mollohan	Riehlman	Wainwright
Morgan	Roberts	Watts
Moss	Rodino	Wharton
Multer	Rooney	Wier
Murray, Ill.	Roosevelt	Williams, N. J.
Norblad	Sadlak	Williams, N. Y.
O'Brien, Ill.	St. George	Wolverton
O'Hara, Ill.	Saylor	Yates
O'Konski	Schwengel	Zablocki
O'Neill	Scott	Zelenko

NOT VOTING—27

Anfuso	Donovan	Mumma
Blatnik	Eberhart	Perkins
Boykin	Gamble	Radwan
Buchanan	Hardy	Reece, Tenn.
Byrd	Hillings	Reed, N. Y.
Chiperfield	Holifield	Rivers
Clevenger	Kearney	Scherer
Curtis, Mo.	Kilburn	Shelley
Dingell	Morrison	Wilson, Calif.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boykin for, with Mr. Dingell against.
 Mr. Mumma for, with Mr. Anfuso against.
 Mr. Hardy for, with Mr. Radwan against.
 Mr. Rivers for, with Mr. Chiperfield against.
 Mr. Morrison for, with Mrs. Buchanan against.

Mr. Byrd for, with Mr. Kearney against.

Until further notice:

Mr. Blatnik with Mr. Hillings.
 Mr. Holifield with Mr. Gamble.
 Mr. Shelley with Mr. Scherer.
 Mr. Donovan with Mr. Reece of Tennessee.

The result of the vote was announced as above recorded.

MUTUAL SECURITY APPROPRIATION BILL, 1956

The SPEAKER. The Chair is going to recognize now the gentleman from Louisiana [Mr. PASSMAN] to call up a conference report.

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H. R. 7224) making appropriations for the Mutual Security for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 27, 1955.)

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. PASSMAN. Mr. Speaker, I am sure that all Members of the House are familiar with the Mutual Security appropriation bill, and what has happened during the different phases of its consideration; therefore, the members of

the Mutual Security Subcommittee on Appropriations will not use the time allotted to debate the conference report. Rather, I shall file a very brief explanation as to the total reductions made in the President's budget estimate. They are as follows:

Amount of budget estimate	\$3,266,641,750
Amount as passed House	2,638,741,730
Amount as passed Senate	3,205,841,750
Amount as agreed to in conference	2,703,341,750
Conference below budget	563,300,000
Conference below Senate	502,500,000
Conference above House	64,600,000

I think I should mention that in conference we agreed to reappropriate not to exceed \$62,533,250 of unobligated balances. This is the figure contained in the House bill. Furthermore, the conferees agreed that not to exceed \$302 million, representing an overpayment to the Air Force be validated to permit further deliveries of aircraft and related items by the Air Force.

It was not the purpose of the House conferees to take advantage of the technical situation that developed with respect to the \$302 million item, because during the year there are hundreds of millions of dollars in the mutual-security program obligated and then, for legal reasons if not sufficient reasons, deobligated and reobligated; and the \$302 million item is one of the items that was brought to light at—shall we say, the psychological moment and of course that attracted unusual attention; however, the procedure in permitting such items to be validated and reappropriated is not unusual.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 2, line 18, insert "Provided, That at least \$50,000,000, on a grant basis, shall be made available for assistance to Spain exclusive of Technical Exchange: *Provided further*, That not less than \$22,000,000 of the amount available for Spain shall be used for agricultural commodities."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 2, line 3, strike out "\$102,500,000" and insert "\$113,700,000."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 3, line 31, insert "including not less than \$26,200,000 for assistance to Greece."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 6, line 1, insert "To the extent authorized by the Mutual Security Act of 1955, the unexpended balances of funds appropriated under authority of the Mutual Security Act of 1954 (except for \$100,000,000) are hereby continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available for the same general purposes in this act."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 21, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Funds appropriated under each paragraph of this act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during the fiscal year 1956, may be consolidated in one account for each paragraph."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 12, insert after line 11 the following:

"Sec. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until expended, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services

shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including funds consolidated with any such appropriation), shall be maintained in one account, and funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, may be, where authorized by the President, maintained in such account, which shall be used for all transactions involving military assistance."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment. The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Sec. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until June 30, 1958, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided, however*, That not to exceed \$302,000,000 of any reimbursement heretofore made by the Air Force to military assistance appropria-

tions as of June 30, 1955, pursuant to the provisions of this section shall be considered null and void and materials and services of an equivalent amount shall be delivered or performed by the Air Force for military assistance purposes without reimbursement: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including specified amounts of unobligated balances and funds consolidated with any such appropriation), amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, and, where authorized by the President, funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year and no expenditure shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That nothing in this act shall be construed as making any appropriation or fund available for obligation after the end of the current fiscal year except as may be necessary for reimbursements authorized herein."

Section 110 of the act of September 3, 1954 (Public Law 778) is hereby repealed.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the Mutual Security Act conference report just considered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

AMENDING NATURAL GAS ACT

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6645) to amend the Natural Gas Act, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6645, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Tennessee [Mr. PRIEST] will be recognized for 1 hour and 30 minutes and the gentleman from New Jersey [Mr. WOLVERTON] will be recognized for 1 hour and 30 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I yield 30 minutes to the author of this bill, the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, first let me express my thanks and appreciation for the vote on adoption of the rule so

that this proposed legislation might be considered.

Mr. Chairman, the Committee on Interstate and Foreign Commerce presents to the House this bill, H. R. 6645, to amend the Natural Gas Act of 1933. This is a good bill. It is a highly important and necessary bill.

This is the bill you have heard so much about for some time. It has been widely discussed on most every corner, in the corridors, Speaker's lobby, cloakrooms and elsewhere.

There has been a great deal of publicity on this subject by the newspapers throughout the country. It is a subject of intense interest and one that has been thoroughly considered.

We have in this legislation a fundamental principle which should be considered on its merits, based on actual facts. It is my conviction that it should be settled now, in the interest of the public.

I recognize, Mr. Chairman, that this is quite a controversial issue, stating it mildly, and I know there are honest differences of opinion.

It is easy for some to get worked up over this question, and sometimes, for tempers to flare, but I hope that we can consider and resolve this question in a calm and deliberate manner. It certainly will not be my intention to antagonize anyone, and I approach this with conviction in the friendliest manner. In fact, this is the moment that I would like very much to "win friends and influence people."

Now, Mr. Chairman, I do not claim to be an expert on this subject. I do not claim to know all there is about it. I have given a great deal of time and study to it and I feel that I do know something about the question. I have no interest or stock in any oil or gas company or a natural gas company, or any utility. I approach and consider this question as a fundamental one which I believe to be in the best interest of all the public.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am glad to yield to the gentleman from California, the co-author of this legislation.

Mr. HINSHAW. I would like to say if any Member of the House has ever made a study of any subject, the gentleman from Arkansas has made one of the most complete studies that has ever been made, and this, in my opinion, is the best solution of a very difficult and complex problem that perplexes us all. I had the honor to introduce a duplicate of the gentleman's bill, and I support it completely.

Mr. HARRIS. I thank the gentleman for the compliment.

I respect the honest views of those who have a different opinion. I do not in any way impugn the motives of anyone and as everyone here knows I have the highest respect and esteem for all our colleagues.

I do want to say, however, that in my opinion, a lot of misunderstanding and a lot of misconceptions have been and are being "strowed all over the lot." There are great contentions and loud acclaims

Public Law 208 - 84th Congress

Chapter 491 - 1st Session

H. R. 7224

AN ACT

All 69 Stat. 435.

Making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1956, namely:

Mutual Security Appropriation Act, 1956.

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended (Public Law 665, approved August 26, 1954, as amended by Public Law 138, Eighty-fourth Congress), as follows:

68 Stat. 832.
22 USC 1751 note.
Ante, p. 283.

Military assistance: For assistance authorized by section 103 (a) (2), including not to exceed \$23,250,000 for administrative expenses to carry out the purposes of title I, chapter 1, and section 124, \$705,000,000, of which \$122,000,000 shall be available for infrastructure as authorized by section 104 (a); and in addition not to exceed \$33,900,000 of unobligated and unreserved funds heretofore appropriated under authority of section 103 (a) (1) of the Mutual Security Act of 1954, as amended, are continued available until June 30, 1956, for the purposes of section 103 (a) (2);

Ante, p. 283.
Ante, p. 284.

Direct forces support: For assistance authorized by section 124, \$305,000,000 and in addition \$12,200,000 for additional assistance to Formosa and Thailand;

22 USC 1814.

Defense support, Europe: For assistance authorized by section 131 (c) (1), \$85,500,000: *Provided*, That at least \$50,000,000, on a grant basis, shall be made available for assistance to Spain exclusive of Technical Exchange: *Provided further*, That not less than \$22,000,000 of the amount available for Spain shall be used for agricultural commodities;

Ante, p. 284.

Defense support, Near East and Africa: For assistance authorized by section 131 (c) (2), \$113,700,000 including not less than \$26,200,000 for assistance to Greece;

Ante, p. 284.

Defense support, Asia: For assistance authorized by section 131 (c) (3), \$800,000,000; and in addition not to exceed \$25,000,000 of unobligated balances of funds heretofore appropriated under authority of section 121 of the Mutual Security Act of 1954, as amended, are hereby continued available through June 30, 1956;

Ante, p. 284.

Development assistance, Near East and Africa: For assistance authorized by section 201 (c) for purposes of section 201 (a) (1), \$73,000,000;

Ante, p. 284.

Development assistance, Asia: For assistance authorized by section 201 (c) for purposes of section 201 (a) (2), \$51,000,000;

Ante, p. 284.

Development assistance, American Republics and non-self-governing territories of the Western Hemisphere: For assistance authorized by section 201 (c) for purposes of section 201 (a) (3), \$38,000,000;

Ante, p. 285.

Technical cooperation, general authorization: For assistance authorized by section 304 (b), \$127,500,000;

Ante, p. 285.

United Nations expanded program of technical assistance: For contributions authorized by section 306 (a), \$24,000,000, which shall constitute the total United States contribution through December 31, 1956;

Ante, p. 285.

Technical cooperation programs of the Organization of American States: For contributions authorized by section 306 (b), \$1,500,000;

Ante, p. 285.

Ante, p. 286.

- Ante, p. 286. Special Presidential Fund: For assistance authorized by section 401 (b), \$100,000,000;
- Ante, p. 286. Special assistance in joint control areas in Europe: For assistance authorized by section 403 (b), \$21,000,000;
- 22 USC 1925. Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), \$12,500,000: *Provided*, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere;
- Ante, p. 286. United Nations Refugee Fund: For contributions authorized by section 405 (c), \$1,200,000;
- Ante, p. 286. Escapee program: For assistance authorized by section 405 (d), \$6,000,000;
- Ante, p. 286. United Nations Children's Fund: For contributions authorized by section 406 (b), \$14,500,000, which shall constitute the total United States contribution through December 31, 1956;
- Ante, p. 286. United Nations Relief and Works Agency: For contributions authorized by section 407 (b), \$58,366,750; and in addition not to exceed \$3,633,250 of the unobligated balances of funds appropriated under the head "Palestine Refugee Program" in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1956, for the purposes authorized by section 407;
- 22 USC 1928. North Atlantic Treaty Organization: For payments authorized by section 408, \$3,700,000;
- Ante, p. 286. Ocean freight charges, United States voluntary relief agencies: For payments authorized by section 409 (c), \$2,000,000;
- Ante, p. 287. Ocean freight charges, surplus agricultural commodities: For payments authorized by section 409 (d), \$13,000,000;
- Ante, p. 287. Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, \$1,175,000;
- Ante, p. 287. Administrative expenses: For expenses authorized by section 411, \$33,500,000;
- Ante, p. 287. President's Fund for Asian Economic Development: For the President's Fund for Asian Economic Development as authorized by section 418 (b), \$100,000,000 to remain available until June 30, 1958.
- 68 Stat. 830. Funds appropriated under each paragraph of this Act (other than 31 USC 200. appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during the fiscal year 1956, may be consolidated in one account for each paragraph.

GENERAL PROVISIONS

- 22 USC 1831-1937. Ante, pp. 284-288. SEC. 102. Appropriations in this Act for the purposes of chapters 2 (except for section 124) and 3 of title I and titles II, III, and IV of the Mutual Security Act of 1954, as amended, and allocations to the Department of State, from any other appropriations, for functions directly related to the purposes of the Mutual Security Act of 1954, as amended, or for use by the International Cooperation Administration for other purposes authorized by law shall be available for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provision of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses in connection with meetings of persons
- 35 Stat. 1027.

whose employment is authorized by section 530 of the Mutual Security Act of 1954, as amended; employment of aliens, by contract, for services abroad; maintenance, operation, and hire of aircraft; purchase (not to exceed two for replacement only) and hire of passenger motor vehicles and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed \$3,000 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of the Mutual Security Act of 1954, as amended; entertainment within the United States (not to exceed \$15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed \$50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Secretary of State, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1954, as amended, or other Act directly related to the purposes of the Mutual Security Act of 1954, as amended; purchase of uniforms; employment of chauffeurs for passenger carrying vehicles abroad notwithstanding the provisions of any other law; medical examinations of dependents of overseas personnel or candidates for overseas positions on the same basis as for employees or candidates; payment of per diem in lieu of subsistence to persons participating in any program of furnishing technical information and assistance, while in countries other than their own and other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1956; expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1158), not otherwise provided for; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided*, That no part of the administrative expenses shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further*, That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal

Ante, p. 289.

Ante, p. 289.

47 Stat. 412.

22 USC 1751
note.
Ante, p. 283.

Ante, p. 270.

60 Stat. 999.

62 Stat. 47.

Salary re-
striction.

Travel ex-
penses.

year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Secretary of State, or such person as he may designate, may prescribe: *Provided further*, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

Engineering fees; report to Congress.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

66 Stat. 662.
31 USC 724.

SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of \$25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until June 30, 1956, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act and hereafter, foreign currencies generated under the provisions of this Act shall be utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated.

Foreign debts, restriction.

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts.

Restriction on obligations.

SEC. 106. Not more than 20 per centum of any funds made available by this Act shall be obligated and/or reserved during the last two months of the fiscal year.

Availability of funds, etc.

SEC. 107. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1955, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1955, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof.

Funds allocated to Defense Department. Accounting, etc.

SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (including funds consolidated with any such appropriation but excepting funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from

funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations shall be reserved and shall remain available until June 30, 1958, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided, however*, That not to exceed \$302,000,000 of any reimbursement heretofore made by the Air Force to military assistance appropriations as of June 30, 1955, pursuant to the provisions of this section shall be considered null and void and materials and services of an equivalent amount shall be delivered or performed by the Air Force for military assistance purposes without reimbursement: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this Act for military assistance (including specified amounts of unobligated balances and funds consolidated with any such appropriation), amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, and, where authorized by the President, funds made available to the Department of Defense under section 401 of the Mutual Security Act of 1954, as amended, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year and no expenditure shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That nothing in this Act shall be construed as making any appropriation or fund available for obligation after the end of the current fiscal year except as may be necessary for reimbursements authorized herein.

Reports to Congress.

Restriction on reimbursements.

68 Stat. 830.
31 USC 200.
Ante, p. 286.

Section 110 of the Act of September 3, 1954 (Public Law 778), is hereby repealed.

22 USC 1819.

SEC. 109. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit

Strikes or overthrow of Government.

Affidavit.

has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Penalty.

Short title.

SEC. 110. This Act may be cited as the "Mutual Security Appropriation Act, 1956".

Approved August 2, 1955.

